

Mary Taylor, CPA
Auditor of State

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007**

| FEDERAL GRANTOR <i>Pass Through Grantor</i> | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Expenditures | Non-Cash Expenditures |
|---|----------------------------------|---------------------------|--------------------|----------------------|--------------------|--------------------------|
| Program Title | | | | | | |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | |
| <i>Passed Through Ohio Department of Education</i> | | | | | | |
| Nutrition Cluster: | | | | | | |
| Food Distribution | N/A | 10.550 | \$0 | \$15,952 | \$0 | \$15,952 |
| National School Lunch Program | LLP4-2006 | 10.555 | 34,110 | 0 | 34,110 | 0 |
| National School Lunch Program | LLP4-2007 | 10.555 | 103,102 | 0 | 103,102 | 0 |
| Total U.S. Department of Agriculture | | | 137,212 | 15,952 | 137,212 | 15,952 |
| U.S. DEPARTMENT OF EDUCATION | | | | | | |
| <i>Passed Through Ohio Department of Education</i> | | | | | | |
| Adult Basic and Literacy Education | ABS1-2006 | 84.002 | 26,637 | 0 | 20,176 | 0 |
| Adult Basic and Literacy Education | ABS1-2007 | 84.002 | 49,236 | 0 | 11,168 | 0 |
| Adult Basic and Literacy Education | ABS2-2006 | 84.002 | 7,049 | 0 | 1,478 | 0 |
| Adult Basic and Literacy Education | ABS2-2007 | 84.002 | 18,773 | 0 | 18,551 | 0 |
| Total Adult Basic and Literacy Education | | | 101,695 | 0 | 51,373 | 0 |
| Special Education Cluster: | | | | | | |
| IDEA Part B (Title VI-B) | 6BSF-2005 | 84.027 | 0 | 0 | 6,876 | 0 |
| IDEA Part B (Title VI-B) | 6BSF-2006 | 84.027 | (21,011) | 0 | 65,821 | 0 |
| IDEA Part B (Title VI-B) | 6BSF-2007 | 84.027 | 820,258 | 0 | 729,062 | 0 |
| Subtotal IDEA Part B (Title VI-B) | | | 799,247 | 0 | 801,759 | 0 |
| Preschool Disability Grant | PGS1-2006 | 84.173 | 2,457 | 0 | 6,990 | 0 |
| Preschool Disability Grant | PGS1-2007 | 84.173 | 19,026 | 0 | 16,099 | 0 |
| Subtotal Preschool Disability Grant | | | 21,483 | 0 | 23,089 | 0 |
| Total Special Education Cluster | | | 820,730 | 0 | 824,848 | 0 |
| Safe and Drug Free School Grant | DRS1-2007 | 84.186 | 7,771 | 0 | 7,771 | 0 |
| Title V - Innovative Programs | C2S1-2005 | 84.298 | 0 | 0 | 14 | 0 |
| Title V - Innovative Programs | C2S1-2006 | 84.298 | (73) | 0 | 1,206 | 0 |
| Title V - Innovative Programs | C2S1-2007 | 84.298 | 6,468 | 0 | 6,330 | 0 |
| Total Title V - Innovative Programs | | | 6,395 | 0 | 7,550 | 0 |
| Immigrant, Title III | T3S2-2007 | 84.365 | 6,720 | 0 | 6,720 | 0 |
| Improving Teacher Quality, Title II-A | TRS1-2006 | 84.367 | 6,182 | 0 | 9,563 | 0 |
| Improving Teacher Quality, Title II-A | TRS1-2007 | 84.367 | 69,398 | 0 | 64,759 | 0 |
| Total Improving Teacher Quality, Title II-A | | | 75,580 | 0 | 74,322 | 0 |
| Total U.S. Department of Education | | | 1,018,891 | 0 | 972,584 | 0 |
| Total | | | \$1,156,103 | \$15,952 | \$1,109,796 | \$15,952 |

The accompanying notes are an integral part of this schedule.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2007**

NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) summarizes the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the local market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2007, the District had no significant food commodities in inventory.

NOTE C - NATIONAL SCHOOL LUNCH PROGRAM

Federal monies received by the District for this program are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

NOTE D – NEGATIVE RECEIPTS

The District transferred \$1,053 from grant year 2006 to grant year 2007 in the Adult Basic & Literacy Education Grant, \$21,011 from grant year 2006 to 2007 in the Special Education, Part B-IDEA Grant, \$543 from grant year 2006 to 2007 in the Preschool Disability Grant, \$73 from grant year 2006 to 2007 in the Title V - Innovative Programs Grant, and \$1,508 from grant year 2006 to 2007 in the Improving Teacher Quality Grant.

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.



Mary Taylor, CPA

Auditor of State

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

Westlake City School District
Cuyahoga County
27200 Hilliard Boulevard
Westlake, Ohio 44145

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2007, wherein we noted the District restated the July 1, 2006 General Fund balance due to removing the portion of the District's Early Retirement Incentive Plan (ERIP) that will not be liquidated using expendable available resources. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the District's management in a separate letter dated December 20, 2007.

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Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 2007-001 through 2007-004.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 20, 2007.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

December 20, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Westlake City School District
Cuyahoga County
27200 Hilliard Boulevard
Westlake, Ohio 44145

To the Board of Education:

Compliance

We have audited the compliance of the Westlake City School District, Cuyahoga County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Westlake City School District, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2007.

However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that OMB Circular A-133 requires us to report, which are described in the accompanying schedule of findings and questioned costs as items 2007-005 and 2007-006.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph that would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We considered the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as findings 2007-005 and 2007-006 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 20, 2007, wherein we noted the District restated the July 1, 2006 General Fund balance due to removing the portion of the District's Early Retirement Incentive Plan (ERIP) that will not be liquidated using expendable available resources. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The District's responses to the findings we identified are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 20, 2007

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|---|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weaknesses reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material noncompliance at the financial statement level (GAGAS)? | Yes |
| <i>(d)(1)(iv)</i> | Were there any material internal control weaknesses reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any other significant deficiencies in internal control reported for major federal programs? | Yes |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | Yes |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Special Education Cluster: IDEA Part B (Title VI-B)/84.027, Preschool Disability Grant/84.173 |
| <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? | No |

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

FINDING NUMBER 2007-001

Proper Encumbering - Noncompliance Finding

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
June 30, 2007
(Continued)**

FINDING NUMBER 2007-001 (Continued)

Proper Encumbering - Noncompliance Finding (Continued)

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Ten out of sixty transactions tested (16%) were not certified by the fiscal officer at the time the commitment was incurred and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the Treasurer certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used.

We recommend the District certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
June 30, 2007
(Continued)

FINDING NUMBER 2007-001 (Continued)

Proper Encumbering - Noncompliance Finding (Continued)

Official's Response:

The district utilizes certification language in conjunction with 5705.41(D) on its purchase orders and district policy supports same. A "no PO" warning letter issued by the CFO is sent to staff/administration that violated purchasing policy. "Then and Now" certification is utilized, but at times unintentionally overlooked due to volume of transactions.

The district will continue to work diligently to improve and correct the types of deficiencies as noted above.

FINDING NUMBER 2007-002

Timely Depositing - Noncompliance Finding

Ohio Rev. Code Section 9.38 provides that any public official and/or employee who receives public monies shall deposit said monies with the Treasurer or with a properly designated depository on the next business day following the day of receipt, if the total amount received exceeds one thousand dollars. If the total amount of public money received does not exceed one thousand dollars, the person shall deposit the moneys on the next business day following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited.

Per District Policy DM *Cash in School Buildings*:

All monies collected are receipted, accounted for and deposited every 24 hours. In the event the CFO/Treasurer or person in charge of an activity is unable to deposit the money in 24 hours, the money will be accounted for and deposited in the safe. The money can be held no longer than three business days after receipt and the amount must be under \$1,000. If the amount is more than \$1,000, or the money cannot be adequately safeguarded, it must be deposited on the business day following the date of receipt.

Nine out of the sixty receipts tested (15%) for student activities were not deposited in accordance with the above provisions. The length of time to deposit District monies for the nine instances noted ranged from 2 days to 11 days.

Five out of sixty receipts tested (8%) for food service operations were not deposited in accordance with the above provisions. The length of time to deposit District monies for the five instances noted ranged from 6 days to 18 days.

Failure to deposit public money in a timely manner increases the District's exposure to theft, loss, or potential loss of investment money.

We recommend all District departments or activities either deposit monies collected with the CFO/Treasurer or its local depository on the next business day following the day of receipt or follow District Policy DM.

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
June 30, 2007
(Continued)

FINDING NUMBER 2007-002 (Continued)

Timely Depositing - Noncompliance Finding (Continued)

Official's Response:

The district has a policy regarding timely deposits of monies (DM). The above issue will be addressed with the appropriate departments/buildings and staff to ensure they maintain compliance with district policy on timely deposits of monies.

FINDING NUMBER 2007-003

Appropriations in excess of Estimated Resources – Noncompliance Finding

Ohio Rev. Code Section 5705.39 provides in part that the total appropriation from each fund shall not exceed the estimated revenue available for expenditure there from as certified by the county budget commission. In addition, Ohio Rev. Code 5705.40 requires that any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. The following funds had appropriations in excess of estimated resources on the Original Budget:

| | <u>Estimated Resources</u> | <u>Appropriations</u> | <u>Variance</u> |
|--|--------------------------------|-----------------------|-----------------|
| Original Budget | | | |
| <i>Special Revenue Funds</i> | | | |
| Professional Development Grant Fund | \$25,797 | \$43,164 | (\$17,367) |
| Athletic and Music Fund | 218,707 | 244,832 | (26,125) |
| Adult Basic Education | 105,130 | 124,433 | (19,303) |
| Early Childhood Education Development Fund | 24,765 | 29,447 | (4,682) |

This weakness could allow expenditures to exceed total available fund balance plus current year revenues which would result in a negative fund balance.

We recommend the District review appropriations and estimated resources, on a monthly basis, and make the necessary revisions to the budget and the County Auditor in order to comply with legal budgetary requirements.

Official's Response:

The District will heighten the awareness with appropriate treasurer office personnel to ensure they are monitoring estimated resources on a monthly basis in conjunction with appropriations so that adjustments are sent to the County auditor on a timely basis.

This should mitigate future violations.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
June 30, 2007
(Continued)**

FINDING NUMBER 2007-004

Expenditures Exceeding Appropriations - Noncompliance Finding

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from making expenditures unless they have been properly appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by the District may not exceed appropriations at the legal level of control for all funds. The District's legal level of control is the object level for the General Fund and the special cost center level for all other funds. The following funds had final expenditures plus encumbrances in excess of appropriations at the legal level of budgetary control during the year:

| | <u>Appropriations</u> | <u>Expenditures Plus Encumbrances</u> | <u>Variance</u> |
|---|-----------------------|---|-----------------|
| November 30, 2006 | | | |
| General Fund | | | |
| Support Services - Administrative | | | |
| Capital Outlay | \$0 | \$467 | (\$467) |
| Operation & Maintenance of Plant Services | | | |
| Capital Outlay | 468 | 696 | (228) |
| <i>Debt Service Fund</i> | | | |
| Bond Retirement Fund | | | |
| Repayment of Debt | | | |
| Legal Services | | | |
| Bond Retirement | 2,200 | 20,000 | (17,800) |
| Refunding Issuance Costs | | | |
| Bond Retirement | 0 | 66,290 | (66,290) |
| Miscellaneous Use of Funds | | | |
| Payments to Refunded Bond Escrow Agent | | | |
| Bond Retirement | 0 | 3,996,593 | (3,996,593) |
| <i>Special Revenue Funds</i> | | | |
| Local Grants Fund | | | |
| Community Recreation Services | | | |
| Supply/Material | | | |
| Tremaine Memorial Fund | 0 | 26 | (26) |
| Community Education Fund | | | |
| Community Services | | | |
| Purchased Services | | | |
| Community Ed | 4 | 11 | (7) |
| Advance Out | | | |
| Other | | | |
| Project Link | 1,412 | 2,000 | (588) |
| Refund of Prior Year Receipts | | | |
| Other | | | |
| Project Link | 288 | 907 | (619) |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
June 30, 2007
(Continued)**

FINDING NUMBER 2007-004 (Continued)

Expenditures Exceeding Appropriations - Noncompliance Finding (Continued)

| | <u>Appropriations</u> | <u>Expenditures Plus Encumbrances</u> | <u>Variance</u> |
|---|-----------------------|---|-----------------|
| November 30, 2006 (Continued) | | | |
| <i>Special Revenue Funds (Continued)</i> | | | |
| Public School Support Fund | | | |
| Scholastic and Public Serv. Co-Curriculum | | | |
| Capital Outlay | | | |
| In-Service Support PS | 2,611 | 3,886 | (1,275) |
| Schl/Public Serv. Co-Cur. | 273 | 311 | (38) |
| Other Local Grants Fund | | | |
| Site Improvement Services | | | |
| Purchased Services | | | |
| WHS Baseball Ligting - Advertising | 0 | 549 | (549) |
| Capital Outlay | | | |
| WHS Baseball Ligting - Improvements | 0 | 119,668 | (119,668) |

We recommend the District verify that all expenditures and encumbrances have proper appropriation authority prior to expending funds or certifying encumbrances and compare appropriations to expenditures plus encumbrances in all funds which are legally to be budgeted, at the legal level of control (object level for General Fund and special cost center level for all other funds), to maintain compliance with the above requirement.

Official's Response:

In this particular circumstance (Nov 30th), the "traditional" second board meeting to conduct full business was not held in November so most business items were delayed till December and thus the resulting citation above.

The district is aware of this violation though, and will work to monitor appropriation adjustments to ensure compliance.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
June 30, 2007
(Continued)**

| |
|--|
| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS |
|--|

Final Expenditure Report

| | |
|------------------------------------|--|
| Finding Number | 2007-005 |
| CFDA Title and Number | Special Education Cluster: IDEA Part B (Title VI-B) - 84.027 Preschool Disability Grant - 84.173 |
| Federal Award Number / Year | 6BSF-2007 and PGS1-2007 / 2007 |
| Federal Agency | U.S. Department of Education |
| Pass-Through Agency | Ohio Department of Education |

Type of Finding: Questioned Cost and Significant Deficiency

Federal awards may specify a time-period during which the non-Federal entity may use the Federal funds. Where a funding period is specified, a non-Federal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency. Also, if authorized by the Federal program, unobligated balances may be carried over and charges for obligations of the subsequent funding period. Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the non-Federal entity during the same or a future period (A-102 Common Rule, §__.23; OMB Circular A-110, §__.28).

Per Assurance #39 of the 2007 Consolidated Application – Revision 5, “the subgrantee will obligate funds within the approved project period as set forth in the approved application and will liquidate said obligations not later than 90 days after the end of the project period for grant applied for electronically.”

The end of the date of the IDEA grant (Special Education Cluster) was 6/30/07 per ODE website.

During testing of the Special Education Cluster Federal program, we noted two amounts totaling \$9,484 from the IDEA grant were included in the Final Expenditure Report (FER) but were not obligated (encumbered) until after June 30, 2007.

We recommend that the amounts reported in the FER reflect obligations incurred during the funding period.

Official’s Response and Corrective Action Plan:

The Special Funds Clerk mentioned the cut-off date for all financial transactions from ODE for PCR requests and the cut-off for all PO requests internally had passed when the requisition(s) noted above were received from the Pupil services Department, therefore items were encumbered in July.

The District is aware of this violation and will ensure amounts reported in FER reflect obligations incurred during the funding period.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
June 30, 2007
(Continued)**

Project Cash Requests

| | |
|------------------------------------|--|
| Finding Number | 2007-006 |
| CFDA Title and Number | Special Education Cluster: IDEA Part B (Title VI-B) - 84.027 Preschool Disability Grant - 84.173 |
| Federal Award Number / Year | 6BSF-2007 and PGS1-2007/ 2007 |
| Federal Agency | U.S. Department of Education |
| Pass-Through Agency | Ohio Department of Education |

Type of Finding: Noncompliance Finding and Significant Deficiency

To comply with the "Cash Management Act," 31 CFR § 205.33, the time elapsed between the receipt and disbursement of funds must be minimized.

The Ohio Department of Education's (ODE) Project Cash Request form (PCR) indicates the time elapsed between the receipt and disbursement of funds includes any drawn down of project funds by June 30. ODE enforces this by requiring that funds must be expended within the period of time for which cash is requested.

While testing the Special Education Cluster Federal Report, we noted the Project Cash Request (PCR) for June 2007 was for \$155,000 and was to cover payroll and benefit costs for June. This amount was determined by the Special Funds Clerk by taking the outstanding encumbrances at the end of May (\$144,209) and adding an estimated cost for payroll and benefits (\$6,157) to be charged in the month of June totaling \$150,366. This amount was then rounded up by the District to \$155,000. However, only \$92,448 was expended in the month of June, resulting in a \$62,552 variance. Additional program costs for June amounting to \$35,331 were paid in July because the vendors were late in submitting invoices. The total amount requested for June program costs not spent was \$27,221.

We recommend the District comply with the "Cash Management Act" 31 CFR § 205.33, and the requirements of ODE to ensure the amount requested for program costs reflects what the District is spending during the month requested.

Official's Response and Corrective Action Plan:

Consultation with the Grants Management clerk revealed the District put forth its best efforts to 'estimate' obligations on the books as of June 30, 2007. Based upon the data, it was clear that obligations paid out in June were less than anticipated based upon one or all of the following:

1. PO's were cancelled and funds released
2. Invoices came due later than expected
3. Approvals to pay were ultimately from various departments

In any event, the CFO will work diligently with staff to make sure they understand and continue to comply with the cash management act noted above to the best of their ability.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2007**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|--|------------------|--|
| 2006-001 | ORC 5705.39 – Appropriations in Excess of Estimated Resources | No | Not Corrected: Repeated as Finding 2007-003 and management letter comment |
| 2006-002 | ORC 5705.41(D)(1) – Certification of the Availability of Funds | No | Not Corrected: Repeated as Finding 2007-001 |

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**WESTLAKE CITY
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2007

**PREPARED BY
TREASURER'S DEPARTMENT
MARK C. PEPERA, TREASURER/CFO**

27200 HILLIARD BLVD.

WESTLAKE, OHIO 44145

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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December 20, 2007

Board of Education Members
Westlake City School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Westlake City School District (the "District") for the fiscal year ended June 30, 2007. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Westlake City School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Porter Public Library, major taxpayers, financial rating services and other interest parties.

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with 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 evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Westlake City School District (the primary government) and its potential component units. The District has no component units.

Excluded from the reporting entity because they are fiscally independent of the District are the City of Westlake, the Parent Teacher Organization, and Westshore Vocational Cooperative.

The Lake Erie Educational Computer Association and the Ohio Schools Council Association are jointly governed organizations and the Porter Public Library is a related organization whose relationships to the District are described in Note 2, to the basic financial statements.

A complete discussion of the District's reporting entity is provided in Note 2.A to the basic financial statements.

Organizational Structure

Statutorily, the District operates under the standard prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide educational services prescribed by State and Federal agencies. The Board of Education is made up of five members elected at large, for overlapping four-year terms. The Board of Education elects its President and Vice President annually, and appoints two officials: the Superintendent, who serves as the Chief Executive Officer, and the Treasurer, who serves as the Chief Financial Officer.

The District is one of 876 public school districts and community schools in the State of Ohio. The District provides education to 4,364 students in grades kindergarten through twelfth. The District provides general education, special education and vocational type academic programs. The District's enrollment has remained relatively flat over the last several years and is projected to slightly increase in the foreseeable future.

**WESTLAKE
CITY SCHOOLS**

Board of Education
27200 Hilliard Blvd.
Westlake, Ohio 44145
(440) 871-7300 tel
(440) 871-6034 fax

**Bassett
Elementary School**
2155 Bassett Rd.
(440) 835-6330

**Dover
Elementary School**
2300 Dover Center Rd
(440) 835-6322

**Hilliard
Elementary School**
24365 Hilliard Rd.
(440) 835-6343

**Holly Lane
Elementary School**
3057 Holly Lane
(440) 835-6332

**Lee Burneson
Middle School**
2240 Dover Center Rd
(440) 835-6340

**Parkside
Intermediate School**
24525 Hilliard Rd.
(440) 835-6325

**Westlake
High School**
27630 Hilliard Rd.
(440) 835-6352

The Westlake City School District

The Westlake City School District (formerly known as the Dover School District) was originally organized in 1898. Later in 1913, the school burned and a new school building was constructed to educate students. Over the years, the District has grown in size and now supports seven buildings: high school, middle school, intermediate school and four elementary buildings. The schools range in age from 35 to 57 years old. In addition, the District owns and operates an administrative and transportation facility to accommodate the oversight needs within the District.

Economic Condition and Outlook

The City of Westlake (the “City”) is one of the leaders in Cuyahoga County in growth and development. The City’s proximity to Interstates 90, 80 and I-480, coupled with the fact that land is available for future development provides the basis for continued economic growth. The City has carefully planned for a balance of residential, commercial and industrial development in order to maintain a substantial tax base in an effort to maintain its relatively low tax rate.

While primarily developed as a residential suburb, the City contains a significant number of corporate facilities, office parks, hotels, wholesale distribution facilities and other industrial and commercial developments. While most of the residentially zoned land has been developed some commercial and industrial zoned land remains available for use. The City’s development plan forecasts full growth by 2020.

In November of 2000, voters approved the construction of Crocker Park, a mixed-use planned development on eighty acres in the western part of the City. When fully completed, this development will create a downtown center for the City with retail, office, restaurant, and residential spaces. A grand opening for the first phase of this development was held in November 2004. In 2006, construction began on 116 units of residential housing consisting of lofts and townhomes that will surround themed gardens.

In addition to new commercial/industrial development, the City approved plans for several additional upscale subdivisions throughout the City. Strong housing values continue to provide evidence of this upscale community. Recent new home sales range from \$600,000-\$800,000 with some topping \$1,000,000.

The City contains the newest full service hospital in the region, St. John Westshore Hospital, which is affiliated with the University Hospital Health System. The City has clinic and outpatient facilities for every major health care provider in the Cleveland area, including the renowned Cleveland Clinic.

Due to the economic success of the City, the District has a positive outlook for future tax based revenues resulting from the positive economic environment.

Major Initiatives

The District continued its major focus on student achievement during the 2006-2007 school year. The District is one of 22 Ohio school districts to achieve the State of Ohio’s highest rating of “Excellent” in each of the eight years since the program has been established. Student achievement, as measured by college admissions tests, continues to be very strong. Students taking both the SAT and ACT tests have scored above both the state and national averages. A major initiative during the 2006-07 school year was to meet the Adequate Yearly Progress standard measuring the progress of various disaggregated groups required as part of the No Child Left Behind legislation. During the previous year, the District did not achieve this standard for a group of special needs students in grades 6 and 7 and a group of economically disadvantaged students in grade 8. This resulted in the District being considered in the “at risk” category. Data from the 2006-07 school year indicate that the District has met the overall AYP standards and has been returned to the high performing status.

A Continuous Improvement Plan continues to guide the District's educational program. The Plan, first adopted by the Board of Education in 2000 and revised regularly, defines the goals of the school district and specifies specific action plans to accomplish them. A committee of representatives from each building and the district office regularly monitors the plan. This group is charged with gathering the data to document progress toward the plan goals and to report to the District and Board of Education. The District plan is supported by school improvement plans in each building. All of these plans were updated during the past year.

The curriculum emphasis for the past year continues to focus on developing pacing guides and assessments in language arts, mathematics, social studies and science in grades K-6, and in developing common assessments for courses in grades 7-10 that prepare students for the Ohio Graduation Test taken in grade 10. The District is committed to a Standards-Based Education System with explicit learning outcomes communicated to the learners, implemented with a research-based instructional design and ongoing, focused formative and summative assessments. The District has adopted a pyramid of strategies to intervene with students who are having difficulty learning. The strategies provide a consistent hierarchy of interventions available to all students who are not learning. Work continues in each building and at the district level to develop a professional learning community that promotes collaboration and collective responsibility for all students. This program is supported with job-embedded professional learning. The ultimate goal is high levels of learning for all students.

During the 2006-2007 school year two major District initiatives included preparing for implementation of the state Value Added Metric and preparation for the implementation of the Data Driven Decisions for Academic Achievement (D3A2) data management tool. Value Added, which measures the expected growth as compared to the achieved growth for each child will be added as a further accountability metric in the 2008-2009 school year. District preparation included training district office administrators and a representative from each building by participation in the state five-day training program. These individuals then conducted training sessions for staff members in each building. Preliminary, District value added data were analyzed and its implications for instructional planning reviewed. The District will continue in the 2007-08 school year to prepare staff to help each child achieve more than the expected level of growth.

D3A2 is a data management tool that enables staff members to have access to their current student's achievement data. The tool enables the strengths and limitations of student performance to be identified and linked to assessment and instructional resources based on the skills identified. The District has identified a group of pioneers and trained on use of this system. The District is also a state pilot site and has uploaded its student data for inclusion in the system. The goal for the 2007-08 school year is to begin implementation of this management tool. The use of the tool directly correlates with the value added training since it provides teachers the data to differentiate instruction necessary for each student to grow appropriately.

The 2005-06 school year was the first year of full operation for the District's Performing Arts Center which opened in March 2005. This past year the use of this facility continued to expand. The 825-seat auditorium was used for over 250 student performances as well as community activities including ballets, musicals and a corporate meeting. In addition, the District's new television studio was completed with the construction of several new sets to facilitate operations. The station provides a variety of student and public programming on its own cable access channel.

The District continues to use technology to communicate with the community and parents. The District web site was renovated based on comments made from a focus group of internal and external users. The site provides information about school schedules and educational activities, as well downloadable forms and links to a number of educational resources. The District's courses of study are available for student and parent review. In addition, the District policy manual is accessible via the web site. All staff members have e-mail and voice mail accounts. A significant technology upgrade was completed at the end of the 2006-07 school year. This included establishing a fiber connection to the District's internet service provider, replacing all of the switches that manage the District's network, replacing the e-mail server, upgrading server and productivity software, expanding the use of the citrix server and replacing over 350 computers.

School safety continues to be a persistent concern. The District's safety committee, including representatives from various departments and schools within the District, as well City safety forces, updates and revises the District safety plan each year. During the past year the District initiated a controlled access system at all school buildings. All those seeking access to the building were required to be buzzed-in after identifying themselves. Police-supervised lock-down drills were conducted in each building. The security systems of the elementary schools were upgraded with digital cameras and scope of coverage was increased. The high school scope of coverage was also increased. All of the cameras are integrated with the City police department. The department has access to any camera and the records kept by each camera.

As part of the federal requirements a school wellness committee of school, health department and community representatives was organized. This group used the U.S. Centers for Disease Control and Prevention School Health Index to assess various aspects of school district operations. Based on this assessment a revised Board policy and action plan was developed. Highlights include a significant restructuring of the beverages and snacks available to students during the school day, a review of the physical education curriculum, and more staff and student education programs regarding good health practices.

The District enrollment in special needs programs continue to increase, approaching 14% of the overall student population. Emphasis in the special needs area continued on integrating the state grade-level standards for regular education students into the Individual Education Plans (IEP) of special needs students. Providing special needs students access to the regular education curriculum is one of the essential elements of the federal IDEA legislation. The District completed a comprehensive analysis of special needs enrollment growth and the consequent fiscal impact.

Long-Term Financial Planning

As part of the District's long-term planning, the CFO prepares a five-year financial forecast. This document provides a snapshot of historical and projected revenues and expense over the next five years and is accompanied by financial assumptions. The Board of Education reviews this document on a quarterly basis for changes that might impact their district financial decisions.

Financial Policies Impacting the Financial Statements

During fiscal year 2007, the District issued \$3,785,000 in library improvement refunding bonds to advance refund a portion of the 1998 library improvement bonds. The refunding bonds were sold at a premium of \$279,092. Proceeds of \$3,996,593 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 1998 library improvement bonds. As a result, \$3,805,000 of these bonds were considered defeased.

The reacquisition price exceeded the net carrying amount of the old debt by \$191,593. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 10 years by \$140,315 and resulted in an economic gain of \$113,822.

Financial Information

Internal Accounting and Budgetary Control

In developing the District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual audit of each voucher prior to payment, ensures the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of education's appropriation measure, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates. All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object level for the general fund and special cost center level for all other funds. All purchase order requests must be approved by either the Superintendent or the Assistant Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal is furnished with monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site. The basis of accounting and the various funds utilized by Westlake City Schools are fully described in Note 2 of the basic financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

Financial Condition

The District's basic financial statements consist of the following:

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion follows the Report of Independent Accountants, providing an assessment of the District's finances for fiscal year 2007 and a discussion of current issues affecting the District in the future. The MD&A should be read in conjunction with this letter of transmittal.

Financial Highlights – Internal Service Fund

The only internal service fund carried on the financial records relates to self-insurance. This fund accounts for the revenues and expenses related to the provision of medical, surgical, prescription drug, dental and vision benefits to the District employees. The internal service fund had net assets of \$1,563,627 at June 30, 2007, compared with net assets of \$1,040,916 at June 30, 2006, reflecting a net increase in net assets of \$522,711.

Financial Highlights – Fiduciary Fund

The trust fund carried on the financial records of the District is a college scholarship private-purpose trust fund that has net assets totaling \$30,752 as of June 30, 2007.

Cash Management

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government or the State of Ohio. The program is beneficial because of access to daily balances which enables the Board to maintain minimum balance accounts and invest to the maximum extent. The total amount of interest earned by District funds was \$984,115 for the fiscal year ended June 30, 2007, \$960,565 being credited directly to the general fund.

Protection of the District's deposits is provided by the federal deposit insurance corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Mary Taylor, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2007. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Westlake City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a 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 our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

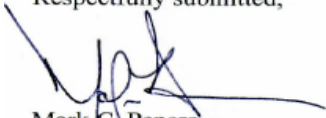
The publication of this report is a significant step toward professionalizing the Westlake City School District's financial reporting. It enhances the District's accountability to the residents of the Westlake City School District.

The preparation of this report would not have been possible without the assistance and support of the staff of the Treasurer's office, various administrators and staff members of the District. In addition, assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

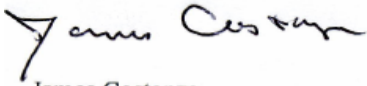
Special appreciation is expressed to the accounting firm of Julian & Grube, Inc. for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support on this project.

Respectfully submitted,



Mark C. Pepera
Chief Financial Officer



James Costanza
Superintendent of Schools

Westlake City School District
Principal Officials
June 30, 2007

Board of Education

| | |
|---------------------------|----------------|
| Ms. Renee Wargo..... | President |
| Mr. Thomas Mays | Vice-President |
| Ms. Andrea Rocco..... | Member |
| Mr. Joseph O'Malley | Member |
| Mr. David Beal | Member |

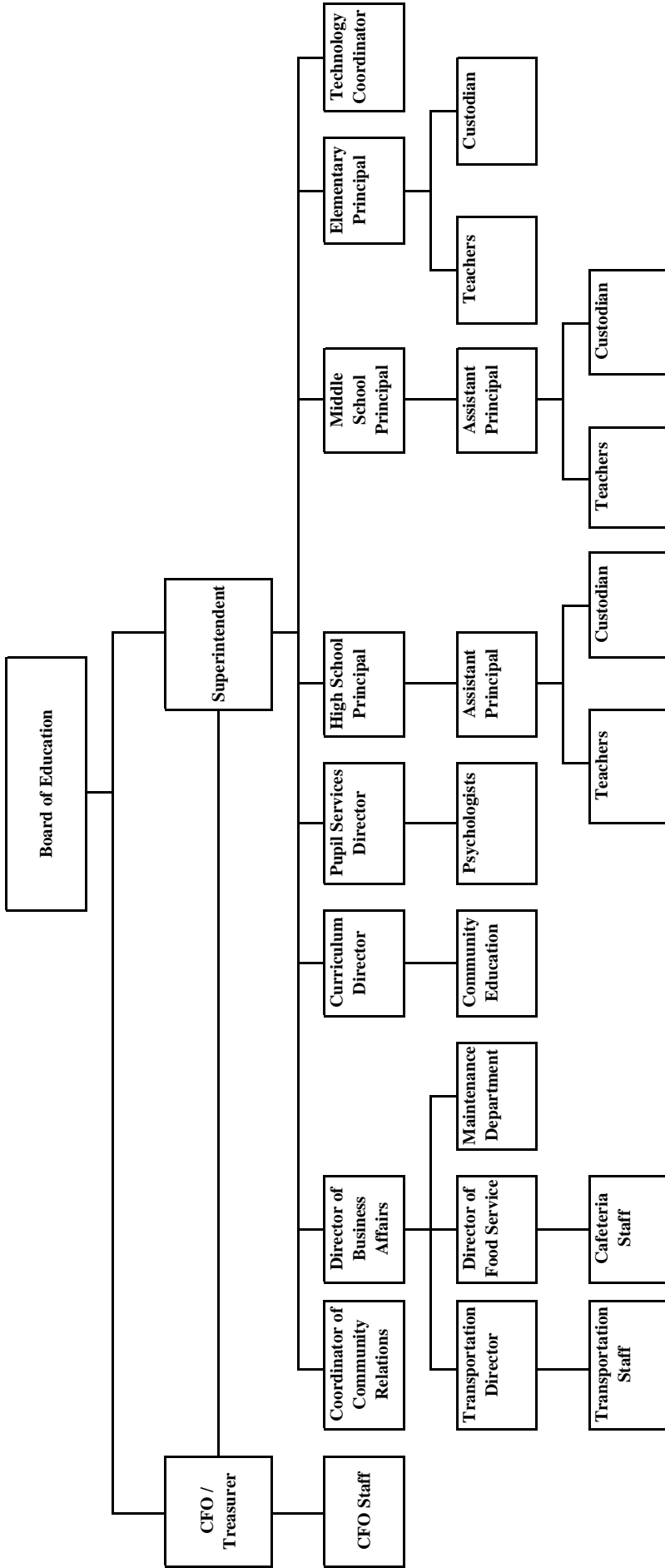
Chief Financial Officer

Mr. Mark C. Pepera

Executive Administration

| | |
|-------------------------------|------------------------------|
| Dr. James Costanza, Ed.D..... | Superintendent |
| Mr. David Puffer | Director of Business Affairs |

Westlake City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Westlake City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



A handwritten signature in black ink, appearing to read "Thomas J. Blain".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

Executive Director



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Westlake City School District
Cuyahoga County
27200 Hilliard Boulevard
Westlake, Ohio 44145

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio, as of June 30, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 A. to the financial statements, the District restated the July 1, 2006 General Fund balance due to removing the portion of the District's Early Retirement Incentive Plan (ERIP) that will not be liquidated using expendable available resources.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financials statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 20, 2007

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The management's discussion and analysis of the Westlake City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2007 are as follows:

- In total, net assets of governmental activities increased \$4,959,454 which represents a 20.49% increase from 2006.
- General revenues accounted for \$49,739,309 in revenue or 92.35% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,119,978 or 7.65% of total revenues of \$53,859,287.
- The District had \$48,899,833 in expenses related to governmental activities; only \$4,119,978 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$49,739,309 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and bond retirement fund. The general fund had \$46,872,485 in revenues and other financing sources and \$43,657,277 in expenditures and other financing uses. During fiscal 2007, the general fund's fund balance increased \$3,215,208 from a restated balance of \$3,395,557 to \$6,610,765.
- The bond retirement fund had \$7,494,978 in revenues and other financing sources and \$8,072,440 in expenditures and other financing uses. During fiscal 2007, the bond retirement fund's fund balance decreased \$577,462 from \$3,915,579 to \$3,338,117.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes pertaining to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and bond retirement fund are by far the most significant funds, and the only governmental funds reported as major funds.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages 17-18 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and bond retirement fund.

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 financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-23 of this report.

Proprietary Funds

Proprietary funds focus on the District's ongoing activities which are similar to those found in the private sector where net income is necessary or useful to sound financial management. Proprietary funds utilize the *accrual basis* of accounting under which revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The District's proprietary funds are internal service funds which are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. Proprietary fund statements can be found on pages 24 through 26 of the basic financial statements. For reporting on the statement of net assets and the statement of activities, internal service fund activities are eliminated and consolidated with governmental activities.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 27 and 28. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 29-62 of this report.

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2007 and 2006.

| | Net Assets | |
|--|----------------------------|----------------------------|
| | Governmental Activities | Governmental Activities |
| | <u>2007</u> | <u>2006</u> |
| <u>Assets</u> | | |
| Current and other assets | \$ 61,767,266 | \$ 56,049,360 |
| Capital assets, net | <u>45,246,640</u> | <u>46,120,588</u> |
| Total assets | <u>107,013,906</u> | <u>102,169,948</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 47,143,949 | 44,469,701 |
| Long-term liabilities | <u>30,702,964</u> | <u>33,492,708</u> |
| Total liabilities | <u>77,846,913</u> | <u>77,962,409</u> |
| <u>Net Assets</u> | | |
| Invested in capital assets, net of related debt | 23,919,272 | 22,301,426 |
| Restricted | 4,144,612 | 4,860,941 |
| Unrestricted (deficit) | <u>1,103,109</u> | <u>(2,954,828)</u> |
| Total net assets | <u>\$ 29,166,993</u> | <u>\$ 24,207,539</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

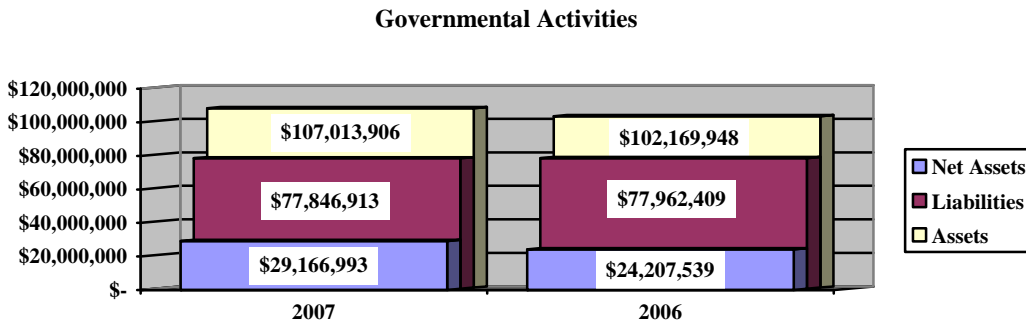
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the District's assets exceeded liabilities by \$29,166,993. Of this total, \$4,144,612 is restricted in use.

At year-end, capital assets represented 42.28% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks and library books. Capital assets, net of related debt to acquire the assets at June 30, 2007, were \$23,919,272. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$4,144,612, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is \$1,103,109.

The graph below illustrates the District's governmental activities assets, liabilities and net assets at June 30, 2007 and 2006:



**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The table below shows the change in net assets for fiscal years 2007 and 2006.

| | Change in Net Assets | |
|--|---|---|
| | Governmental Activities <u>2007</u> | Governmental Activities <u>2006</u> |
| <u>Revenues</u> | | |
| Program revenues: | | |
| Charges for services and sales | \$ 2,080,826 | \$ 1,956,579 |
| Operating grants and contributions | 2,039,152 | 1,884,131 |
| General revenues: | | |
| Property taxes | 40,702,255 | 37,444,864 |
| Grants and entitlements | 7,945,412 | 7,357,649 |
| Investment earnings | 977,551 | 730,754 |
| Gain on sale of capital assets | 1,632 | - |
| Miscellaneous | 112,459 | 88,907 |
| Total revenues | <u>53,859,287</u> | <u>49,462,884</u> |
| <u>Expenses</u> | | |
| Program expenses: | | |
| Instruction: | | |
| Regular | 20,374,661 | 20,190,940 |
| Special | 3,717,072 | 3,555,142 |
| Vocational | 397,990 | 477,265 |
| Adult/continuing | 34,064 | 56,634 |
| Other | 1,290,541 | 1,214,300 |
| Support services: | | |
| Pupil | 3,048,974 | 2,963,597 |
| Instructional staff | 2,870,362 | 2,671,046 |
| Board of education | 45,462 | 27,125 |
| Administration | 2,919,666 | 2,829,414 |
| Fiscal | 1,067,467 | 1,084,520 |
| Business | 454,909 | 394,801 |
| Operations and maintenance | 4,317,707 | 4,126,995 |
| Pupil transportation | 3,758,572 | 3,307,927 |
| Central | 108,327 | 142,244 |
| Food service operations | 1,072,986 | 927,577 |
| Operations of non-instructional services | 345,727 | 273,130 |
| Extracurricular activities | 1,423,143 | 1,352,070 |
| Intergovernmental pass through | 525,104 | 423,059 |
| Interest and fiscal charges | 1,127,099 | 1,304,616 |
| Total expenses | <u>48,899,833</u> | <u>47,322,402</u> |
| Change in net assets | 4,959,454 | 2,140,482 |
| Net assets at beginning of year | <u>24,207,539</u> | <u>22,067,057</u> |
| Net assets at end of year | <u>\$ 29,166,993</u> | <u>\$ 24,207,539</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Governmental Activities

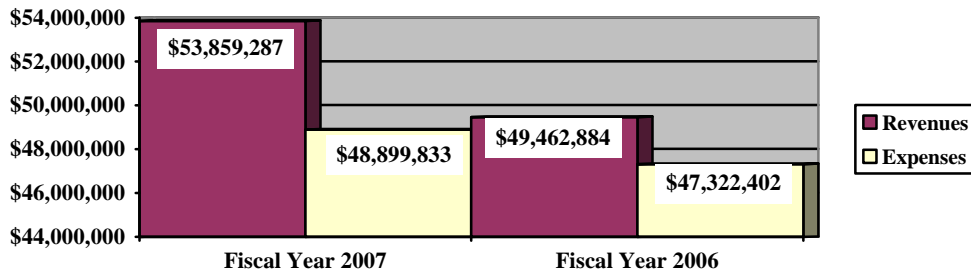
Net assets of the District's governmental activities increased \$4,959,454. Total governmental expenses of \$48,899,833 were offset by program revenues of \$4,119,978 and general revenues of \$49,739,309. Program revenues supported 8.43% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 90.32% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$25,814,328 or 52.79% of total governmental expenses for fiscal 2007.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2007 and 2006.

Governmental Activities - Revenues and Expenses



**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

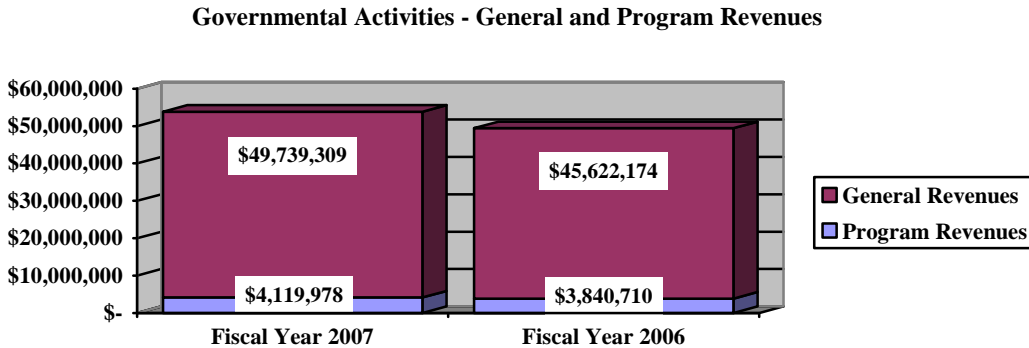
| | Total Cost of Services <u>2007</u> | Net Cost of Services <u>2007</u> | Total Cost of Services <u>2006</u> | Net Cost of Services <u>2006</u> |
|--|--|--|--|--|
| Program expenses | | | | |
| Instruction: | | | | |
| Regular | \$ 20,374,661 | \$ 20,082,301 | \$ 20,190,940 | \$ 20,034,761 |
| Special | 3,717,072 | 3,132,218 | 3,555,142 | 3,137,904 |
| Vocational | 397,990 | 397,990 | 477,265 | 477,265 |
| Adult/continuing | 34,064 | (3,587) | 56,634 | (8,655) |
| Other | 1,290,541 | 1,290,541 | 1,214,300 | 1,214,300 |
| Support services: | | | | |
| Pupil | 3,048,974 | 2,913,135 | 2,963,597 | 2,779,630 |
| Instructional staff | 2,870,362 | 2,609,928 | 2,671,046 | 2,412,275 |
| Board of education | 45,462 | 45,462 | 27,125 | 27,125 |
| Administration | 2,919,666 | 2,832,245 | 2,829,414 | 2,701,414 |
| Fiscal | 1,067,467 | 1,067,467 | 1,084,520 | 1,084,520 |
| Business | 454,909 | 454,909 | 394,801 | 394,801 |
| Operations and maintenance | 4,317,707 | 4,228,476 | 4,126,995 | 4,043,951 |
| Pupil transportation | 3,758,572 | 3,637,482 | 3,307,927 | 3,285,685 |
| Central | 108,327 | 73,503 | 142,244 | 107,485 |
| Food service operations | 1,072,986 | 43,395 | 927,577 | (79,171) |
| Operations of non-instructional services | 345,727 | 2,765 | 273,130 | (70,600) |
| Extracurricular activities | 1,423,143 | 783,564 | 1,352,070 | 711,076 |
| Intergovernmental pass through | 525,104 | 60,962 | 423,059 | (76,690) |
| Interest and fiscal charges | <u>1,127,099</u> | <u>1,127,099</u> | <u>1,304,616</u> | <u>1,304,616</u> |
| Total expenses | <u>\$ 48,899,833</u> | <u>\$ 44,779,855</u> | <u>\$ 47,322,402</u> | <u>\$ 43,481,692</u> |

The dependence upon tax and other general revenues for governmental activities is apparent, 96.46% of instruction activities are supported through taxes, grants and entitlements and other general revenues. For all governmental activities, general revenue support is 91.57%. Taxes, as a whole, are by far the primary support for the District's students.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

The graph below presents the District's governmental activities revenue for fiscal year 2007 and 2006.



The District's Funds

The District's governmental funds (as presented on page 19) reported a combined fund balance of \$10,694,530, which is higher than last year's total of \$8,161,827. The June 30, 2006 fund balance of the general fund has been restated as described in Note 3.A. to the basic financial statements. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2007 and 2006.

| | Fund Balance <u>June 30, 2007</u> | Fund Balance <u>June 30, 2006</u> | Increase <u>(Decrease)</u> |
|--------------------|--------------------------------------|--------------------------------------|-------------------------------|
| General | \$ 6,610,765 | \$ 3,395,557 | \$ 3,215,208 |
| Bond Retirement | 3,338,117 | 3,915,579 | (577,462) |
| Other Governmental | <u>745,648</u> | <u>850,691</u> | <u>(105,043)</u> |
| Total | <u>\$ 10,694,530</u> | <u>\$ 8,161,827</u> | <u>\$ 2,532,703</u> |

General Fund

The District's general fund balance increased \$3,215,208 primarily due to increased tax revenues. The increased tax revenue are due to increased assessed valuation of the District in part due to the newly opened Crocker Park mixed-use development coupled with and an increase in the amount of tax advance available to the District at June 30, 2007 versus June 30, 2006. At June 30, 2007, the amount of tax advance available in the general fund was \$4,155,908 and the amount of tax advance available at June 30, 2006 was \$3,196,629. The increase is reflected as an increase to tax revenue on the modified accrual basis of accounting. The amount of tax advance available can vary depending upon when tax bills are sent out by Cuyahoga County.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The table that follows assists in illustrating the financial activities and fund balance of the general fund. The 2006 expenditures have been restated to reflect the prior period adjustment described in Note 3.A.

| | 2007 <u>Amount</u> | Restated 2006 <u>Amount</u> | Increase (Decrease) | Percentage <u>Change</u> |
|---|-----------------------|-----------------------------------|------------------------|-----------------------------|
| <u>Revenues</u> | | | | |
| Taxes | \$ 37,998,780 | \$ 33,403,474 | \$ 4,595,306 | 13.76 % |
| Tuition | 9,041 | 6,060 | 2,981 | 49.19 % |
| Earnings on investments | 960,565 | 644,125 | 316,440 | 49.13 % |
| Intergovernmental | 7,727,251 | 6,918,119 | 809,132 | 11.70 % |
| Other revenues | <u>172,248</u> | <u>137,389</u> | <u>34,859</u> | 25.37 % |
| Total | <u>\$ 46,867,885</u> | <u>\$ 41,109,167</u> | <u>\$ 5,758,718</u> | 14.01 % |
| <u>Expenditures</u> | | | | |
| Instruction | \$ 24,997,778 | \$ 23,862,980 | 1,134,798 | 4.76 % |
| Support services | 17,737,664 | 16,525,657 | 1,212,007 | 7.33 % |
| Extracurricular activities | 769,537 | 752,083 | 17,454 | 2.32 % |
| Facilities acquisition and construction | 131,344 | 17,662 | 113,682 | 643.65 % |
| Debt service | <u>11,384</u> | <u>11,384</u> | - | - |
| Total | <u>\$ 43,647,707</u> | <u>\$ 41,169,766</u> | <u>\$ 2,477,941</u> | 6.02 % |

The increase in tax revenue is primarily attributable to increased assessed valuation in the District. The fiscal year 2007 tax collections include assessed valuation for the newly opened Crocker Park mixed-use development. This development comprises retail shopping, a business park and residential area located within the District boundaries. The increase in investment earnings is due to increased interest rate hikes from the Federal Reserve Board.

Instruction expenditures increased due to normal and customary increases in employee wage, benefit and retirement contributions. Employee health insurance premiums continue to increase over the prior year.

All other general fund revenue and expenditure items remained consistent with the prior year or were immaterial in amount.

Bond Retirement Fund

The bond retirement fund had \$7,494,978 in revenues and other financing sources and \$8,072,440 in expenditures and other financing uses. During fiscal 2007, the bond retirement fund's fund balance decreased \$577,462 from \$3,915,579 to \$3,338,117.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

General Fund Budgeting 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 2007 the District amended its general fund budget several times. For the general fund, final budgeted revenues and other financing sources were \$44,880,718, which is higher than original budgeted revenues and other financing sources estimate of \$44,692,240. Actual revenues and other financing sources for fiscal 2007 were \$46,058,253.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$46,750,061 were left almost the same in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2007 totaled \$46,038,948, which were \$711,109 lower than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2007, the District had \$45,246,640 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks and library books. This entire amount is reported in governmental activities. The following table shows fiscal 2007 balances compared to 2006:

**Capital Assets at June 30
(Net of Depreciation)**

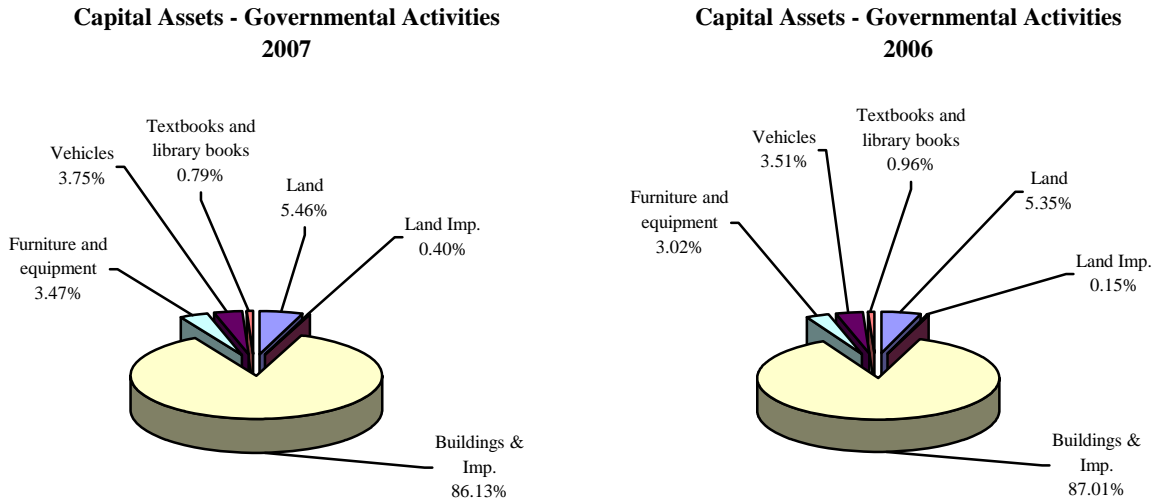
| | Governmental Activities | |
|-----------------------------|-------------------------|---------------|
| | 2007 | 2006 |
| Land | \$ 2,468,751 | \$ 2,468,751 |
| Land improvements | 179,252 | 70,318 |
| Building and improvements | 38,972,069 | 40,127,848 |
| Furniture and equipment | 1,572,356 | 1,393,774 |
| Vehicles | 1,697,313 | 1,619,270 |
| Textbooks and library books | 356,899 | 440,627 |
| Total | \$ 45,246,640 | \$ 46,120,588 |

The overall decrease in capital assets of \$873,948 is primarily due to depreciation expense of \$1,871,419 and disposals of \$2,968 (net of accumulated depreciation) exceeding capital outlays of \$1,000,439 in the fiscal year.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

The graphs below present the District's capital assets for fiscal 2007 and fiscal 2006.



See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2007 the District had \$25,912,242 in general obligation bonds (the issue is comprised of current issue bonds and capital appreciation bonds) outstanding. Of this total, \$1,685,000 is due within one year and \$24,227,242 is due within greater than one year. The following table summarizes the bonds outstanding.

Outstanding Debt, at Year End

| | Governmental Activities <u>2007</u> | Governmental Activities <u>2006</u> |
|----------------------------|---|---|
| Current interest bonds | \$ 24,775,000 | \$ 27,810,000 |
| Capital appreciation bonds | <u>1,137,242</u> | <u>988,573</u> |
| Total | <u>\$ 25,912,242</u> | <u>\$ 28,798,573</u> |

See Note 10 to the basic financial statements for detail on the District's debt administration.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Current Financial Related Activities

The Westlake Board of Education and administration closely monitor revenues and expenditures in accordance with its financial forecast and the School District Continuous Improvement Plan (CIP), which provides a roadmap for District achievement and performance measurement.

The financial future of the District is not without its internal as well as external challenges though. In the foreseeable future, the internal challenge will remain as long as the District is required to rely on local property taxes to fund its operations. External challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system and unfunded mandates being handed down from the Federal government.

While the District relies heavily on its property taxpayers to support its operations, the fiscal capacity and community support for the schools is quite strong. In May of 2000, the Westlake voters had passed a 5.5 mill replacement levy, which helped fund the general operations and permanent improvements of the District over the last several years. In addition, the community overwhelmingly passed a bond issue in late 2002 to support the construction of a new district Performing Arts center. Recently, in May of 2006, the community passed a 6.9 mill continuing levy for general operations.

Externally, the State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Looking at financial ratios, one is able to better gauge the financial health of the District. The District's liquidity or the ability to meet its short-term obligations is favorable at 1.62 as compared to 1.23 in 2006, which means the district is in a better position to meet current obligations in having enough assets to cover its liabilities. Another important financial concept is solvency. The District's solvency ratio is 1.37 and indicates the ability of the District to cover obligations in the short and long term. In addition, the debt ratio for the District remained relatively low at .28 indicating the district is not heavily reliant on debt to facilitate its operations.

Westlake City School District has not projected any meaningful growth in State revenues due to the going concern regarding legislation that requires the redistribution of commercial and industrial property taxes. With approximately 84 percent of general fund revenues being derived from local sources, one can see the significant impact this change would have on the District and ultimately, the residential taxpayers.

As a result of the challenges mentioned above, it will be imperative that management continues to carefully and prudently plan their finances in order to provide the resources required to meet student needs over the next several years. The District continues to communicate to the community the reliance upon their support for the majority of its operations and will continue to work diligently to plan expenses, staying carefully within the District's financial five-year plan. The Westlake community understands the income generated by local levies remains relatively constant, thereby forcing the District to come back to the voters from time to time asking for additional support.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

In summary, the District has committed itself to financial and educational excellence for many years to come. The District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1993. Educationally, the District continues to rank among the top schools in Ohio for educational excellence receiving the top performance designation by the Ohio Department of Education for the last 8 years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to report the District's accountability for the money it receives.

If you have questions about this report or need additional financial information please contact: Mark C. Pepera, Chief Financial Officer, Westlake City School District, 27200 Hilliard Boulevard, Westlake, Ohio 44145. Or if you prefer, you may email inquiries to: **Pepera@wlake.org**.

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2007

| | <u>Governmental Activities</u> |
|---|---|
| Assets: | |
| Equity in pooled cash and cash equivalents. | \$ 14,432,294 |
| Receivables: | |
| Taxes | 46,730,876 |
| Accounts | 37,184 |
| Intergovernmental | 164,397 |
| Accrued interest | 82,968 |
| Inventory held for resale | 3,552 |
| Materials and supplies inventory | 26,752 |
| Unamortized bond issue costs. | 289,243 |
| Capital assets: | |
| Land | 2,468,751 |
| Depreciable capital assets, net | 42,777,889 |
| Capital assets, net. | <u>45,246,640</u> |
| Total assets. | <u>107,013,906</u> |
| Liabilities: | |
| Accounts payable. | 477,901 |
| Accrued wages and benefits | 4,434,202 |
| Intergovernmental payable | 1,550,247 |
| Accrued interest payable | 93,519 |
| Claims payable | 1,773 |
| Unearned revenue | 40,586,307 |
| Long-term liabilities: | |
| Due within one year. | 2,345,444 |
| Due within more than one year | 28,357,520 |
| Total liabilities | <u>77,846,913</u> |
| Net Assets: | |
| Invested in capital assets, net of related debt. | 23,919,272 |
| Restricted for: | |
| Capital projects | 28,017 |
| Debt service. | 3,353,147 |
| School supplies. | 48,242 |
| State funded programs | 43,476 |
| Federally funded programs | 172,141 |
| Extracurricular activities | 240,432 |
| Public school support. | 259,157 |
| Unrestricted | <u>1,103,109</u> |
| Total net assets | <u>\$ 29,166,993</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets |
|--|----------------------|--------------------------------------|--|--|
| | Expenses | Charges for Services and Sales | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 20,374,661 | \$ 118,726 | \$ 173,634 | \$ (20,082,301) |
| Special | 3,717,072 | - | 584,854 | (3,132,218) |
| Vocational | 397,990 | - | - | (397,990) |
| Adult/continuing | 34,064 | - | 37,651 | 3,587 |
| Other | 1,290,541 | - | - | (1,290,541) |
| Support services: | | | | |
| Pupil | 3,048,974 | - | 135,839 | (2,913,135) |
| Instructional staff | 2,870,362 | - | 260,434 | (2,609,928) |
| Board of education | 45,462 | - | - | (45,462) |
| Administration | 2,919,666 | 87,421 | - | (2,832,245) |
| Fiscal | 1,067,467 | - | - | (1,067,467) |
| Business | 454,909 | - | - | (454,909) |
| Operations and maintenance | 4,317,707 | 89,231 | - | (4,228,476) |
| Pupil transportation | 3,758,572 | 121,090 | - | (3,637,482) |
| Central | 108,327 | - | 34,824 | (73,503) |
| Operation of non-instructional services: | | | | |
| Food service operations | 1,072,986 | 866,401 | 163,190 | (43,395) |
| Other non-instructional services | 345,727 | 266,439 | 76,523 | (2,765) |
| Extracurricular activities | 1,423,143 | 531,518 | 108,061 | (783,564) |
| Intergovernmental pass-through | 525,104 | - | 464,142 | (60,962) |
| Interest and fiscal charges | 1,127,099 | - | - | (1,127,099) |
| Total governmental activities | \$ 48,899,833 | \$ 2,080,826 | \$ 2,039,152 | (44,779,855) |
| General Revenues: | | | | |
| Property taxes levied for: | | | | |
| General purposes | | | | 37,720,302 |
| Debt service | | | | 2,981,953 |
| Grants and entitlements not restricted | | | | |
| to specific programs | | | | 7,945,412 |
| Investment earnings | | | | 977,551 |
| Gain on sale of capital assets | | | | 1,632 |
| Miscellaneous | | | | 112,459 |
| Total general revenues | | | | 49,739,309 |
| Change in net assets | | | | 4,959,454 |
| Net assets at beginning of year | | | | 24,207,539 |
| Net assets at end of year | | | | \$ 29,166,993 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

| | <u>General</u> | <u>Bond Retirement</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|----------------------------|---|---|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 8,800,783 | \$ 3,040,849 | \$ 1,042,473 | \$ 12,884,105 |
| Receivables: | | | | |
| Taxes | 43,927,093 | 2,803,783 | - | 46,730,876 |
| Accounts | 19,204 | - | 769 | 19,973 |
| Intergovernmental | - | - | 164,397 | 164,397 |
| Accrued interest | 81,026 | 1,942 | - | 82,968 |
| Interfund loans | 25,549 | - | - | 25,549 |
| Inventory held for resale | - | - | 3,552 | 3,552 |
| Materials and supplies inventory | 21,786 | - | 4,966 | 26,752 |
| Total assets | <u>\$ 52,875,441</u> | <u>\$ 5,846,574</u> | <u>\$ 1,216,157</u> | <u>\$ 59,938,172</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 413,687 | \$ - | \$ 64,214 | \$ 477,901 |
| Accrued wages and benefits | 4,289,564 | - | 144,638 | 4,434,202 |
| Compensated absences payable | 242,939 | - | 5,639 | 248,578 |
| Retirement incentive payable | 125,000 | - | - | 125,000 |
| Intergovernmental payable | 1,429,739 | - | 120,508 | 1,550,247 |
| Interfund loan payable | - | - | 25,549 | 25,549 |
| Deferred revenue | 1,577,348 | 108,549 | 109,961 | 1,795,858 |
| Unearned revenue | 38,186,399 | 2,399,908 | - | 40,586,307 |
| Total liabilities | <u>46,264,676</u> | <u>2,508,457</u> | <u>470,509</u> | <u>49,243,642</u> |
| Fund Balances: | | | | |
| Reserved for encumbrances | 2,250,195 | - | 134,055 | 2,384,250 |
| Reserved for property tax unavailable for appropriation | 4,155,908 | 294,626 | - | 4,450,534 |
| Reserved for debt service | - | 3,043,491 | - | 3,043,491 |
| Unreserved, undesignated, reported in: | | | | |
| General fund | 204,662 | - | - | 204,662 |
| Special revenue funds | - | - | 588,056 | 588,056 |
| Capital projects funds | - | - | 23,537 | 23,537 |
| Total fund balances | <u>6,610,765</u> | <u>3,338,117</u> | <u>745,648</u> | <u>10,694,530</u> |
| Total liabilities and fund balances | <u>\$ 52,875,441</u> | <u>\$ 5,846,574</u> | <u>\$ 1,216,157</u> | <u>\$ 59,938,172</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2007

| | | |
|---|---------------|----------------------|
| Total governmental fund balances | | \$ 10,694,530 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 45,246,640 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | |
| Taxes | \$ 1,610,373 | |
| Intergovernmental revenue | 109,961 | |
| Accrued interest | <u>75,524</u> | |
| Total | | 1,795,858 |
| Bond issuance costs are amortized over the life of the bonds on the statement of net assets. | | 289,243 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | | (93,519) |
| An internal service fund used by management to charge the costs of medical, dental and vision insurance to individual funds. The assets and liabilities of the internal service fund are included on the statement of net assets. | | 1,563,627 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | |
| Compensated absences | 3,310,449 | |
| Retirement incentive payable | 725,000 | |
| General obligation bonds payable | 26,273,112 | |
| Capital lease obligation | <u>20,825</u> | |
| Total | | <u>(30,329,386)</u> |
| Net assets of governmental activities | | <u>\$ 29,166,993</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>General</u> | <u>Bond Retirement</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|----------------------------|---|---|
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 37,998,780 | \$ 3,113,788 | \$ - | \$ 41,112,568 |
| Tuition. | 9,041 | - | 421,962 | 431,003 |
| Transportation fees | 23,897 | - | - | 23,897 |
| Charges for services. | - | - | 866,401 | 866,401 |
| Earnings on investments. | 960,565 | 1,744 | 21,806 | 984,115 |
| Extracurricular. | - | - | 330,093 | 330,093 |
| Classroom materials and fees | 9,782 | - | 233,226 | 243,008 |
| Rentals. | 89,231 | - | - | 89,231 |
| Contributions and donations | - | - | 227,348 | 227,348 |
| Other local revenues. | 49,338 | - | 63,121 | 112,459 |
| Intergovernmental - Intermediate | - | - | 1,980 | 1,980 |
| Intergovernmental - State. | 7,727,251 | 315,354 | 563,579 | 8,606,184 |
| Intergovernmental - Federal | - | - | 1,136,897 | 1,136,897 |
| Total revenue | <u>46,867,885</u> | <u>3,430,886</u> | <u>3,866,413</u> | <u>54,165,184</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 20,148,658 | - | 128,437 | 20,277,095 |
| Special. | 3,166,072 | - | 529,072 | 3,695,144 |
| Vocational. | 389,208 | - | - | 389,208 |
| Adult/continuing. | - | - | 34,064 | 34,064 |
| Other. | 1,293,840 | - | - | 1,293,840 |
| Support services: | | | | |
| Pupil. | 2,852,363 | - | 125,718 | 2,978,081 |
| Instructional staff | 2,592,651 | - | 239,058 | 2,831,709 |
| Board of education | 45,462 | - | - | 45,462 |
| Administration. | 2,793,284 | - | 87,575 | 2,880,859 |
| Fiscal | 1,071,849 | 2,928 | - | 1,074,777 |
| Business | 391,821 | - | - | 391,821 |
| Operations and maintenance. | 4,067,776 | - | - | 4,067,776 |
| Pupil transportation | 3,855,696 | - | - | 3,855,696 |
| Central. | 66,762 | - | 38,093 | 104,855 |
| Operation of non-instructional services: | | | | |
| Food service operations | - | - | 1,057,083 | 1,057,083 |
| Other non-instructional services | - | - | 346,871 | 346,871 |
| Extracurricular activities. | 769,537 | - | 620,827 | 1,390,364 |
| Intergovernmental pass-through | - | - | 525,403 | 525,403 |
| Facilities acquisition and construction | 131,344 | - | 248,825 | 380,169 |
| Debt service: | | | | |
| Principal retirement | 8,696 | 3,015,000 | - | 3,023,696 |
| Interest and fiscal charges | 2,688 | 991,629 | - | 994,317 |
| Bond issuance costs | - | 66,290 | - | 66,290 |
| Total expenditures | <u>43,647,707</u> | <u>4,075,847</u> | <u>3,981,026</u> | <u>51,704,580</u> |
| Excess of revenues over (under) expenditures | <u>3,220,178</u> | <u>(644,961)</u> | <u>(114,613)</u> | <u>2,460,604</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 9,570 | 9,570 |
| Transfers (out). | (9,570) | - | - | (9,570) |
| Sale of capital assets. | 4,600 | - | - | 4,600 |
| Issuance of refunding bonds | - | 3,785,000 | - | 3,785,000 |
| Premium on bonds sold | - | 279,092 | - | 279,092 |
| Payment to refunded bond escrow agent | - | (3,996,593) | - | (3,996,593) |
| Total other financing sources (uses) | <u>(4,970)</u> | <u>67,499</u> | <u>9,570</u> | <u>72,099</u> |
| Net change in fund balances | 3,215,208 | (577,462) | (105,043) | 2,532,703 |
| Fund balances at beginning of year (restated) | <u>3,395,557</u> | <u>3,915,579</u> | <u>850,691</u> | <u>8,161,827</u> |
| Fund balances at end of year | <u>\$ 6,610,765</u> | <u>\$ 3,338,117</u> | <u>\$ 745,648</u> | <u>\$ 10,694,530</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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, 2007

| | | |
|--|--------------------|-------------------------|
| Net change in fund balances - total governmental funds | \$ | 2,532,703 |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives a depreciation expense. This is the amount by which depreciation expense exceeded capital outlays the current period. | | |
| Capital asset additions | \$ 1,000,439 | |
| Current year depreciation | <u>(1,871,419)</u> | |
| Total | | (870,980) |
| The net effect of various miscellaneous transactions involving capital asset (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets | | |
| | | (2,968) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: | | |
| Delinquent property taxes | (410,313) | |
| Interest | 8,778 | |
| Intergovernmental | <u>94,006</u> | |
| Total | | (307,529) |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities: | | |
| Decrease in accrued interest payable | 11,664 | |
| Accretion of interest on "capital appreciation" bonds | (148,669) | |
| Amortization of bond premiums | 183,516 | |
| Amortization of loss on refunding | (158,221) | |
| Amortization of issuance costs | <u>(21,072)</u> | |
| Total | | (132,782) |
| The internal service fund used by management to charge the costs of medical, dental and vision insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. | | |
| | | 522,711 |
| Issuance of refunding bonds are recorded as an other financing source in the funds; however in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets. | | |
| | | (3,785,000) |
| Payments to refunded bond escrow agents for the retirement of bonds are an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net assets. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred in the fiscal year: | | |
| Bonds refunded | 3,805,000 | |
| Deferred charges on refundings | <u>191,593</u> | |
| Total | | 3,996,593 |
| Premiums on debt issuances are recognized as an other financing source in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities | | |
| | | (279,092) |
| Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities | | |
| | | 66,290 |
| Repayment of bond and capital lease obligations is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were: | | |
| Bonds | 3,015,000 | |
| Capital lease | <u>8,696</u> | |
| Total | | 3,023,696 |
| Some expenses reported in the statement of activities, such as compensated absences and retirement incentives, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds | | |
| | | 195,812 |
| Change in net assets of governmental activities | \$ | <u>4,959,454</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

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, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 35,999,519 | \$ 36,151,337 | \$ 37,099,839 | \$ 948,502 |
| Tuition | 8,773 | 8,810 | 9,041 | 231 |
| Transportation fees | 22,696 | 22,792 | 23,390 | 598 |
| Earnings on investments | 965,615 | 969,687 | 995,129 | 25,442 |
| Classroom materials and fees | 9,492 | 9,532 | 9,782 | 250 |
| Other local revenues | 115,350 | 115,837 | 118,876 | 3,039 |
| Other revenue | 4,464 | 4,482 | 4,600 | 118 |
| Intergovernmental - State | 7,498,073 | 7,529,694 | 7,727,251 | 197,557 |
| Total revenue | <u>44,623,982</u> | <u>44,812,171</u> | <u>45,987,908</u> | <u>1,175,737</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 20,783,072 | 20,588,193 | 20,457,248 | 130,945 |
| Special | 3,308,258 | 3,224,786 | 3,220,471 | 4,315 |
| Vocational | 491,021 | 476,775 | 415,816 | 60,959 |
| Other | 1,966,367 | 1,865,720 | 1,863,409 | 2,311 |
| Support services: | | | | |
| Pupil | 3,088,778 | 3,190,646 | 3,075,399 | 115,247 |
| Instructional staff | 2,818,204 | 2,781,050 | 2,656,449 | 124,601 |
| Board of education | 31,167 | 44,955 | 44,797 | 158 |
| Administration | 2,951,664 | 2,874,682 | 2,789,623 | 85,059 |
| Fiscal | 1,133,155 | 1,121,868 | 1,115,190 | 6,678 |
| Business | 510,771 | 504,032 | 469,337 | 34,695 |
| Operations and maintenance | 4,297,260 | 4,268,976 | 4,212,224 | 56,752 |
| Pupil transportation | 3,966,670 | 4,004,221 | 4,004,221 | - |
| Central | 110,159 | 109,472 | 81,681 | 27,791 |
| Extracurricular activities | 791,279 | 785,138 | 770,016 | 15,122 |
| Facilities acquisition and construction | 122,236 | 804,111 | 803,497 | 614 |
| Total expenditures | <u>46,370,061</u> | <u>46,644,625</u> | <u>45,979,378</u> | <u>665,247</u> |
| Excess of revenues over (under) expenditures | <u>(1,746,079)</u> | <u>(1,832,454)</u> | <u>8,530</u> | <u>1,840,984</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year expenditure | 17,495 | 17,569 | 18,030 | 461 |
| Transfers (out) | (280,000) | (15,770) | (9,570) | 6,200 |
| Advances in | 50,763 | 50,978 | 52,315 | 1,337 |
| Advances (out) | (50,000) | (39,662) | - | 39,662 |
| Other uses | (50,000) | (50,000) | (50,000) | - |
| Total other financing sources (uses) | <u>(311,742)</u> | <u>(36,885)</u> | <u>10,775</u> | <u>47,660</u> |
| Net change in fund balance | (2,057,821) | (1,869,339) | 19,305 | 1,888,644 |
| Fund balance at beginning of year | 4,498,368 | 4,498,368 | 4,498,368 | - |
| Prior year encumbrances appropriated | 1,624,662 | 1,624,662 | 1,624,662 | - |
| Fund balance at end of year | <u>\$ 4,065,209</u> | <u>\$ 4,253,691</u> | <u>\$ 6,142,335</u> | <u>\$ 1,888,644</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2007

| | Internal Service Fund |
|--|--------------------------------------|
| Assets: | |
| Current assets: | |
| Equity in pooled cash and cash equivalents. | \$ 1,548,189 |
| Receivables: | |
| Accounts | <u>17,211</u> |
| Total assets | <u>1,565,400</u> |
| Liabilities: | |
| Claims payable | <u>1,773</u> |
| Total liabilities | <u>1,773</u> |
| Net assets: | |
| Unrestricted | <u>1,563,627</u> |
| Total net assets | <u><u>\$ 1,563,627</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Internal Service Fund</u> |
|--|---|
| Operating revenues: | |
| Charges for services. | \$ 2,991,105 |
| Total operating revenues | <u>2,991,105</u> |
| Operating expenses: | |
| Purchased services. | 266,747 |
| Claims | <u>2,201,647</u> |
| Total operating expenses | <u>2,468,394</u> |
| Operating income/change in net assets. . . | 522,711 |
| Net assets at beginning of year | <u>1,040,916</u> |
| Net assets at end of year | <u><u>\$ 1,563,627</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Internal Service Fund</u> |
|---|--------------------------------------|
| Cash flows from operating activities: | |
| Cash received from interfund services | \$ 2,991,105 |
| Cash payments for purchased services | (266,747) |
| Cash payments for claims | <u>(2,697,765)</u> |
| Net cash provided by operating activities | <u>26,593</u> |
| Net increase in cash and cash equivalents | 26,593 |
| Cash and cash equivalents at beginning of year . . . | <u>1,521,596</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 1,548,189</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ 522,711 |
| Changes in assets and liabilities: | |
| (Increase) in accounts receivable | (17,211) |
| Decrease in claims payable. | <u>(478,907)</u> |
| Net cash provided by operating activities | <u><u>\$ 26,593</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

| | Private-Purpose Trust | |
|---|----------------------------------|---------------|
| | Scholarship | Agency |
| Assets: | | |
| Equity in pooled cash and cash equivalents | \$ 30,752 | \$ 249,886 |
| Total assets. | 30,752 | \$ 249,886 |
| Liabilities: | | |
| Accounts payable. | \$ - | \$ 9,000 |
| Due to students | - | 240,886 |
| Total liabilities | - | \$ 249,886 |
| Net Assets: | | |
| Held in trust for scholarships | \$ 30,752 | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Private-Purpose Trust</u> | |
|---|----------------------------------|---------------|
| | <u>Scholarship</u> | |
| Additions: | | |
| Interest | \$ | 1,557 |
| Change in net assets | | 1,557 |
| Net assets at beginning of year. | | <u>29,195</u> |
| Net assets at end of year | <u>\$</u> | <u>30,752</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Westlake City School District (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 operates under a locally-elected five-member Board form of government.

The District is located in Westlake, Ohio, Cuyahoga County. The District ranks as the 101st largest by enrollment among the 876 public school districts and community schools in the state. The Board of Education controls the District's seven instructional/support facilities staffed by 264 classified employees, 250 certificated full-time teaching personnel and 19 administrators who provide services to 4,364 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and internal service fund provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". When applying GASB Statement No. 14, management has considered all potential component units. Component units are legally separate organizations for which the District 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 debt, the issuance of debt, or the levying of taxes. Based upon the application of these criteria, the District has no component units. The financial statements of the reporting entity include only those of the District (the primary government). The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Westlake City School District, this includes general operations, food service and student related activities of the District.

Nonpublic Schools - Within the District boundaries, there are various nonpublic schools. Current State legislation provides funding to these non-public schools. These monies are received and disbursed by the District on behalf of the non-public schools by the Treasurer of the District, as directed by the non-public schools. These transactions are reported as a governmental activity of the District.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organizations are described do to their relationship to the District.

RELATED ORGANIZATION

Porter Public Library

The Porter Public Library (the "Library") is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Westlake City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Porter Public Library, Ms. Judy Dobbs, Clerk/Treasurer, at 27333 Center Ridge Road, Westlake, Ohio 44145.

JOINTLY GOVERNED ORGANIZATIONS

Lake Erie Educational Computer Association

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization among thirty School Districts. The jointly governed 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 districts. Each of the governments of these schools supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of a superintendent or designated representative from each participating school district and a representative from the fiscal agent. LEECA is governed by a Board of Directors chosen from the general membership of the LEECA assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and at least one Assembly member from each county in which participating school districts are located. The degree of control exercised by any participating school district is limited to its representation on the Board. The District paid \$146,416 to LEECA in fiscal year 2007. Financial information can be obtained by contacting the Treasurer at the Lorain County Educational Service Center, who serves as the fiscal agent, at 1885 Lake Avenue, Elyria, Ohio 44035.

Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2007, the District paid \$3,718 to the Council for annual membership and other fees. Financial information can be obtained by contacting David A. Cottrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payment based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to the participant to Energy Acquisition Corp.

The District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

INSURANCE PURCHASING POOL

Suburban Health Consortium

The Suburban Health Consortium (the "Consortium") is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage's for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors shall be the governing body of the Consortium. The Board of Education of each Consortium Member shall appoint its Superintendent or such Superintendent's designee to be its representative of the Board of Directors. The officers of the Board of Directors shall consist of a Chairman, Vice-Chairman and Recording Secretary, who shall be elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium shall be exercised by or under the direction of the Board of Directors. The Board of Directors shall also set all premiums and other amounts to be paid by the Consortium Members, and the Board of Directors shall also have the authority to waive premiums and other payments. All members of the Board of Directors shall serve without compensation.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (North Royalton City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement. Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal.

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from Richard McIntosh, Treasurer of the North Royalton City School District (the "Fiscal Agent") at 6579 Royalton Road, North Royalton, Ohio 44133.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund - The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

Bond Retirement Debt Service Fund - The bond retirement fund is used for the accumulation of property tax revenues for, and the payment of, general obligation bonds issued for various school improvements, additions to the High School and Bassett School and for improvements to the Porter Public Library.

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (b) food service operations and; (c) for grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. Proprietary funds consist of enterprise funds and internal service funds. The District has only an internal service fund.

Internal Service Fund - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District is used to account for employee health benefits, as well as prescription drug and dental claims.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: 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 are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for resources belonging to the student bodies of the various schools.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Presentation and Measurement Focus

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

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 function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are 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 not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each 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. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

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

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

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 on the fund financial statements. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange 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 (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. 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 nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2007 are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the object level for the general fund and the special cost center level for all other funds. The District Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect when the final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year.

F. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2007, investments were limited to certificates of deposit, federal agency securities, commercial paper and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District has invested funds in STAR Ohio during fiscal 2007. 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, 2007.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal 2007 amounted to \$960,565 which includes \$420,272 assigned from other District funds.

For purposes of the statement of cash flows and for presentation on the statement of net assets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at fiscal year-end is provided in Note 4.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Inventories consist of donated food, purchased food and school supplies held for resale and materials and supplies held for consumption.

H. Capital Assets

All capital assets of the District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000 for its general capital assets. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Governmental Activities Estimated Lives</u> |
|----------------------------|--|
| Buildings and improvements | 30 - 50 years |
| Furniture and equipment | 5 - 10 years |
| Vehicles | 10 years |
| Land improvements | 30 years |
| Textbooks | 5 years |
| Library books | 2 years |

I. Interfund Loans

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivables/payables.” These amounts are eliminated in the statement of net assets.

J. Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

K. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are reported as an other financing source when received.

L. Gain/Loss on Refunding

On the government financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter.

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the District’s past experience of making termination payments.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables and accrued liabilities payable from internal service funds are reported on the internal service fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and future retirement obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized as a liability in the fund financial statements when due.

O. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property taxes unavailable for appropriation and debt service.

The reserve for property taxes represents taxes recognized as revenue under GAAP but not available for appropriations under state statute.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Q. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating.

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. Neither type of transaction occurred during fiscal 2007.

T. Interfund Activity

Transfers between governmental funds are eliminated for reporting of governmental activities on the government-wide financial statements. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser 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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund services provided and used are not eliminated on the government-wide financial statements.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Restatement of Fund Balance

Fund balance of the general fund has been restated to remove the portion of the District's Early Retirement Incentive Plan (ERIP) that will not be liquidated using expendable available resources. The ERIP is comprised of both compensated absences payable and a retirement incentive payable. The prior period adjustment had the following effect on fund balance as previously reported:

| | General |
|---|--------------|
| Fund balance as previously reported | \$ 1,894,530 |
| Adjustment for compensated absences payable | 651,027 |
| Adjustment for retirement incentive payable | 850,000 |
| Restated fund balance at June 30, 2006 | \$ 3,395,557 |

The prior period adjustment did not have an effect on the net assets of the governmental activities as previously reported at June 30, 2006.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2007 included the following individual fund deficits:

| | <u>Deficit</u> |
|------------------------------------|----------------|
| <u>Nonmajor Funds</u> | |
| Food Service | \$ 18,442 |
| Community Education | 60,474 |
| Entry Year Program | 111 |
| Schoolnet Professional Development | 5 |
| Limited English Proficiency | 74 |
| Drug Free Schools | 48 |
| Early Childhood Education | 302 |

The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

C. Compliance

Contrary to Ohio Revised Code Section 5705.41(D)(1), the District had expenditures that were processed prior to receiving the Treasurer's certification. During testing 16 percent of non-payroll expenditures were found to be processed prior to the Treasurer's certification.

Contrary to Ohio Revised Code Section 9.38, the District did not deposit 15% of student activity receipts and 8% of food service operations receipts in a timely manner.

Contrary to Ohio Revised Code Section 5705.39, the Professional Development Grant, Athletic and Music, Adult Basic Education, and Early Childhood Education Development funds had original appropriations in excess of original estimated revenues of \$17,367, \$26,125, \$19,303, and \$4,682, respectively.

Contrary to A-102 Common Rule, §__.23; OMB Circular A-110, §__.28, the District had two amounts totaling \$9,484 from the IDEA grant which were included in the Final Expenditure Report (FER) but were not obligated (encumbered) until after June 30, 2007

Contrary to 31 CFR § 205.33, the total amount of federal funds requested for June program costs not spent was \$27,221.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

Contrary to Ohio Revised Code Section 5705.41(B), the following accounts had expenditures plus encumbrances in excess of appropriations:

| | <u>Appropriations</u> | <u>Expenditures Plus Encumbrances</u> | <u>Variance</u> |
|---|-----------------------|---|-----------------|
| <u>November 30, 2006</u> | | | |
| General Fund | | | |
| Support Services - Administrative | | | |
| Capital Outlay | \$ - | \$ 467 | \$ (467) |
| Support Services - Operations and maintenance | | | |
| Capital Outlay | 468 | 696 | (228) |
| Debt Service Fund | | | |
| Bond Retirement Fund | | | |
| Repayment of Debt | | | |
| Legal Services | | | |
| Bond Retirement | 2,200 | 20,000 | (17,800) |
| Refunding Issuance Costs | | | |
| Bond Retirement | 0 | 66,290 | (66,290) |
| Miscellaneous Uses of Funds | | | |
| Payment to Refunded Bond Escrow Agent | | | |
| Bond Retirement | 0 | 3,996,593 | (3,996,593) |
| Special Revenue Funds | | | |
| Local Grants Fund | | | |
| Community Recreation Services | | | |
| Supply/Material | | | |
| Tremaine Memorial Fund | 0 | 26 | (26) |
| Community Education Fund | | | |
| Operation of non-instructional services | | | |
| Purchased Services | | | |
| Community Ed | 4 | 11 | (7) |
| Advance Out | | | |
| Other | | | |
| Project Link | 1,412 | 2,000 | (588) |
| Refund of Prior Year Receipts | | | |
| Other | | | |
| Project Link | 288 | 907 | (619) |
| Public School Support Fund | | | |
| Scholastic and Public Serv. Co-Curriculum | | | |
| Capital Outlay | | | |
| In-Service Support PS | 2,611 | 3,886 | (1,275) |
| Schl/Public Serv. Co-Cur. | 273 | 311 | (38) |
| Other Local Grants Fund | | | |
| Site Improvement Services | | | |
| Purchased Services | | | |
| WHS Baseball Ligting - Advertising | 0 | 549 | (549) |
| Capital Outlay | | | |
| WHS Baseball Ligting - Improvements | 0 | 119,668 | (119,668) |
| <u>June 30, 2007</u> | | | |
| General Fund | | | |
| Support Services - Business | | | |
| Other | 1,759 | 1,779 | (20) |

Although these budgetary violations, cash deposit violations, and federal non-compliance occurred, management has indicated that appropriations, cash depository and federal compliance requirements will be closely monitored to prevent future violations.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies are to be deposited or invested in the following securities:

1. 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 and interest by the United States;
2. 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;
3. 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;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

A. Deposits with Financial Institutions

At June 30, 2007, the carrying amount of all District deposits was \$3,941,598. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2007, \$4,084,995 of the District's bank balance of \$4,416,839 was exposed to custodial risk as discussed below, while \$331,844 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial risk beyond the requirements of state statute.

B. Investments

As of June 30, 2007, the District had the following investments and maturities:

| Investment type | Fair Value | Investment Maturities | | |
|---------------------|----------------------|-----------------------|---------------------|-------------------|
| | | 6 months or less | 7 to 12 months | 13 to 18 months |
| FHLB | \$ 560,989 | \$ 560,989 | \$ - | \$ - |
| FHLMC | 1,909,931 | 1,498,200 | 411,731 | - |
| FHLMC-Discount Note | 988,534 | 988,534 | - | - |
| FNMA | 3,175,958 | 1,684,308 | 993,005 | 498,645 |
| FNMA-Discount Note | 972,438 | - | 972,438 | - |
| Commercial paper | 2,932,111 | 2,932,111 | - | - |
| STAR Ohio | 231,373 | 231,373 | - | - |
| | <u>\$ 10,771,334</u> | <u>\$ 7,895,515</u> | <u>\$ 2,377,174</u> | <u>\$ 498,645</u> |

The weighted average maturity of investments is .46 years.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less. The District's investment policy also requires that the investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years.

Credit Risk: The District's investments, except for STAR Ohio and commercial paper, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The commercial paper is rated A1+/P1. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The District has no investment policy that would further limit its investment choices.

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 investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2007:

| <u>Investment type</u> | <u>Fair Value</u> | <u>% of Total</u> |
|------------------------|----------------------|-------------------|
| FHLB | \$ 560,989 | 5.21 |
| FHLMC | 1,909,931 | 17.73 |
| FHLMC-Discount Note | 988,534 | 9.18 |
| FNMA | 3,175,958 | 29.48 |
| FNMA-Discount Note | 972,438 | 9.03 |
| Commercial paper | 2,932,111 | 27.22 |
| STAR Ohio | <u>231,373</u> | <u>2.15</u> |
| | <u>\$ 10,771,334</u> | <u>100.00</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2007:

| <u>Cash and Investments per footnote</u> | |
|---|----------------------|
| Carrying amount of deposits | \$ 3,941,598 |
| Investments | <u>10,771,334</u> |
| Total | <u>\$ 14,712,932</u> |
| <u>Cash and investments per Statement of Net Assets</u> | |
| Governmental activities | \$ 14,432,294 |
| Private-purpose trust fund | 30,752 |
| Agency fund | <u>249,886</u> |
| Total | <u>\$ 14,712,932</u> |

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2007, as reported on the fund statements:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------|------------------|
| General Fund | Nonmajor Governmental Funds | <u>\$ 25,549</u> |

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- B.** Interfund transfers for the year ended June 30, 2007, consisted of the following, as reported on the fund statements:

| | <u>Amount</u> |
|---------------------------------|-----------------|
| Transfers from general fund to: | |
| Nonmajor governmental funds | <u>\$ 9,570</u> |

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 6 - 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, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, the lien date. Assessed values for real property taxes are established by state law at thirty-five 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 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. For 2006, tangible personal property is assessed at 18.75% for property including inventory. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The District receives property taxes from Cuyahoga 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, 2007, are available to finance fiscal year 2007 operations. The amount available as an advance at June 30, 2007 was \$4,155,908 in the general fund and \$294,626 in the bond retirement debt service fund. The amount available for advance at June 30, 2006 was \$3,196,629 in the general fund and \$427,668 in the bond retirement debt service fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2007 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2007 taxes were collected are:

| | 2006 Second Half Collections | | 2007 First Half Collections | |
|--|---------------------------------|----------------|--------------------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Agricultural/Residential and Other Real Estate | \$ 1,230,619,170 | 93.23 | \$1,366,677,360 | 94.63 |
| Public Utility Personal | 20,367,010 | 1.54 | 20,385,360 | 1.41 |
| Tangible Personal Property | <u>68,945,138</u> | <u>5.23</u> | <u>57,142,606</u> | <u>3.96</u> |
| Total | <u>\$ 1,319,931,318</u> | <u>100.00</u> | <u>\$1,444,205,326</u> | <u>100.00</u> |
| Tax rate per \$1,000 of assessed valuation: | | \$60.80 | | \$66.50 |

NOTE 7 - RECEIVABLES

Receivables at June 30, 2007 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

| | |
|-----------------------------------|-------------------------|
| Governmental Activities | |
| Taxes | \$46,730,876 |
| Accounts | 37,184 |
| Intergovernmental | 164,397 |
| Accrued interest | <u>82,968</u> |
| Total governmental activities | <u>\$47,015,425</u> |

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE

During the prior fiscal years, the District entered into several lease agreements for copiers. The District's lease obligations met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases." Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized and depreciated as follows:

| | |
|---|-------------------------|
| Governmental Activities | |
| Capital Assets, being depreciated: | |
| Furniture/equipment | \$ 45,559 |
| Less: Accumulated Depreciation | |
| Furniture/equipment | <u>(27,335)</u> |
| <i>Total Capital Assets, being depreciated, net</i> | <u><u>\$ 18,224</u></u> |

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2007.

| <u>Fiscal Year Ending June 30</u> | <u>Governmental Activities</u> |
|---|------------------------------------|
| 2008 | \$ 11,384 |
| 2009 | 11,333 |
| 2010 | <u>453</u> |
| | 23,170 |
| Less: Amount Representing interest | <u>(2,345)</u> |
| Present Value of Minimum Lease Payments | <u><u>\$ 20,825</u></u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year-ended June 30, 2007, was as follows:

| | Balance <u>June 30, 2006</u> | <u>Additions</u> | <u>Deductions</u> | Balance <u>June 30, 2007</u> |
|---|---------------------------------|---------------------|-------------------|---------------------------------|
| Governmental Activities | | | | |
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 2,468,751 | \$ - | \$ - | \$ 2,468,751 |
| Total capital assets, not being depreciated | <u>2,468,751</u> | <u>-</u> | <u>-</u> | <u>2,468,751</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Land improvements | 83,051 | 112,106 | - | 195,157 |
| Buildings and improvements | 54,154,988 | 5,217 | - | 54,160,205 |
| Furniture and equipment | 5,250,815 | 375,569 | (86,684) | 5,539,700 |
| Vehicles | 3,793,323 | 384,810 | (121,550) | 4,056,583 |
| Textbooks and library books | <u>2,105,910</u> | <u>122,737</u> | <u>-</u> | <u>2,228,647</u> |
| Total capital assets, being depreciated | <u>65,388,087</u> | <u>1,000,439</u> | <u>(208,234)</u> | <u>66,180,292</u> |
| <i>Less: accumulated depreciation</i> | | | | |
| Land improvements | (12,733) | (3,172) | - | (15,905) |
| Buildings and improvements | (14,027,140) | (1,160,996) | - | (15,188,136) |
| Furniture and equipment | (3,857,041) | (194,019) | 83,716 | (3,967,344) |
| Vehicles | (2,174,053) | (306,767) | 121,550 | (2,359,270) |
| Textbooks and library books | <u>(1,665,283)</u> | <u>(206,465)</u> | <u>-</u> | <u>(1,871,748)</u> |
| Total accumulated depreciation | <u>(21,736,250)</u> | <u>(1,871,419)</u> | <u>205,266</u> | <u>(23,402,403)</u> |
| Governmental activities capital assets, net | <u>\$ 46,120,588</u> | <u>\$ (870,980)</u> | <u>\$ (2,968)</u> | <u>\$ 45,246,640</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

| | |
|------------------------------|---------------------|
| Instruction: | |
| Regular | \$ 870,253 |
| Special | 119,087 |
| Vocational | 18,868 |
| Support Services: | |
| Pupil | 96,053 |
| Instructional staff | 124,544 |
| Administration | 90,888 |
| Fiscal | 11,240 |
| Business | 9,035 |
| Operations and maintenance | 96,886 |
| Pupil transportation | 325,236 |
| Central | 5,750 |
| Operation of non instruction | 469 |
| Food service operations | 48,631 |
| Extracurricular activities | <u>54,479</u> |
| Total depreciation expense | <u>\$ 1,871,419</u> |

NOTE 10 - LONG-TERM OBLIGATIONS

The original issue date, interest rate, original issue amount and date of maturity of each of the District's long-term obligations follows:

| <u>Debt Issue</u> | <u>Original Issue Date</u> | <u>Original Issue Amount</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> |
|-----------------------------------|--------------------------------|----------------------------------|--------------------------|-----------------------------|
| General Obligation Bonds: | | | | |
| School Improvements | 1997 | \$ 2,500,000 | 5.08% | December 1, 2006 |
| School Improvements | 1997 | 24,450,000 | 5.51% | December 1, 2007 |
| Library Improvements | 1998 | 7,250,000 | 5.51% | December 1, 2008 |
| School Improvements | 2003 | 8,700,000 | 2.0-5.0% | December 1, 2027 |
| School Improvements Refunding | 2004 | 13,925,000 | 2.0-15.4% | December 1, 2016 |
| Library Improvements Refunding | 2006 | 3,785,000 | 3.55-5.0% | December 1, 2017 |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of the changes in long-term obligations during fiscal year 2007:

| | Balance | | | Balance | Amounts |
|---|----------------------|---------------------|-----------------------|----------------------|----------------------------------|
| | <u>June 30, 2006</u> | <u>Additions</u> | <u>Reductions</u> | <u>June 30, 2007</u> | <u>Due in</u> <u>One Year</u> |
| Governmental Activities | | | | | |
| General Obligation bonds: | | | | | |
| School improvements | \$ 100,000 | \$ - | \$ (100,000) | \$ - | \$ - |
| School improvements | 2,560,000 | - | (1,735,000) | 825,000 | 825,000 |
| Library improvements | 4,800,000 | - | (4,285,000) | 515,000 | 245,000 |
| Library improvements refunding: | | | | | |
| Serial bonds | - | 3,785,000 | (55,000) | 3,730,000 | 5,000 |
| Unamortized premium | - | 279,092 | (14,800) | 264,292 | - |
| Deferred amount on refunding | - | (191,593) | 10,160 | (181,433) | - |
| School improvements: | | | | | |
| Serial bonds | 7,980,000 | - | (280,000) | 7,700,000 | 145,000 |
| Unamortized premium | 150,080 | - | (7,147) | 142,933 | - |
| School Improvements Refunding: | | | | | |
| Serial bonds | 12,370,000 | - | (365,000) | 12,005,000 | 465,000 |
| Unamortized premium | 223,674 | - | (20,334) | 203,340 | - |
| Capital appreciation bonds | 725,000 | - | - | 725,000 | - |
| Accretion on capital appreciation bonds | 263,573 | 148,669 | - | 412,242 | - |
| Unamortized premium | 1,553,587 | - | (141,235) | 1,412,352 | - |
| Deferred amount on refunding | <u>(1,628,675)</u> | <u>-</u> | <u>148,061</u> | <u>(1,480,614)</u> | <u>-</u> |
| Total general obligation bonds | <u>29,097,239</u> | <u>4,021,168</u> | <u>(6,845,295)</u> | <u>26,273,112</u> | <u>1,685,000</u> |
| Capital lease obligation | 29,521 | - | (8,696) | 20,825 | 9,658 |
| Retirement incentive | 850,000 | - | - | 850,000 | 125,000 |
| Compensated absences | <u>3,515,948</u> | <u>316,307</u> | <u>(273,228)</u> | <u>3,559,027</u> | <u>525,786</u> |
| Total governmental activities long-term liabilities | <u>\$ 33,492,708</u> | <u>\$ 4,337,475</u> | <u>\$ (7,127,219)</u> | <u>\$ 30,702,964</u> | <u>\$ 2,345,444</u> |

All general obligation bonds will be paid from property taxes in the bond retirement fund. Compensated absences will be paid from the general fund and the food service fund, interdistrict summer school fund, community education fund, auxiliary services fund, Title VI-B fund and early childhood educational development special revenue funds. Capital lease obligations will be paid from the general fund.

Library Improvement Bonds

In 1998, the District issued bonds for renovations at the Porter Public Library in the amount of \$7,250,000 which were originally scheduled to mature on December 1, 2016. According to the Ohio Revised Code, the District is allowed to issue tax related debt for the Library. This debt is not included in the District's calculation of investments in capital assets, net of related debt since the capital assets are not owned by the District. In fiscal 2007, the District made a \$480,000 principal payment and advance refunded \$3,805,000 of the 1998 library improvement bonds. The remaining library improvement bonds (net of the refunded bonds) are scheduled to mature December 1, 2008.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Library Improvement Refunding Bonds

On October 12, 2006, the District issued \$3,785,000 in library improvement refunding bonds to advance refund a portion of the 1998 library improvement bonds. The refunding bonds were sold at a premium of \$279,092. Proceeds of \$3,996,593 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 1998 library improvement bonds. As a result, \$3,805,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2007 the outstanding amount of the refunded bonds are \$3,805,000.

Interest payments on the refunding bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2017.

The reacquisition price exceeded the net carrying amount of the old debt by \$191,593. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 10 years by \$140,315 and resulted in an economic gain of \$113,822.

School Improvement Bonds

On March 1, 2003, the District issued bonds for the purpose of constructing a performing arts center in the amount of \$8,700,000. The bonds were issued at a premium of \$171,520 for a 25 year period with final maturity at December 1, 2027.

School Improvement Bonds

On March 15, 2004, the District issued \$13,925,000, in general obligation refunding bonds, which included \$13,200,000 in serial bonds and \$725,000 in capital appreciation bonds at interest rates varying from 2.0 percent to 15.417 percent. Proceeds were used to refund \$13,925,000 of the outstanding 1997 school improvement bonds.

The bonds were sold at a premium of \$2,140,791. Proceeds of \$15,886,812 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 1995 classroom facilities improvement bonds. As a result, \$13,925,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2007 the outstanding amount of the refunded bonds are \$12,005,000.

The serial bonds were issued for an 11 year period with a final maturity at December 1, 2014. The capital appreciation bonds were issued for a 13 year period with a final maturity at December 1, 2016 in the amount of \$4,305,000. At June 30, 2007, a total of \$412,242 in accreted interest has been recorded on the capital appreciation bonds. The bonds are being retired from the bond retirement fund. The 2004 school improvement refunding bonds are not subject to redemption prior to stated maturity.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2007, are a voted debt margin of \$101,870,784 (including available funds of \$3,338,117) and an unvoted debt margin of \$1,382,150.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2007, are as follows:

| Fiscal Year Ending | <u>General Obligation Bonds</u> | | <u>Capital Appreciation Bonds</u> | | <u>Total</u> | |
|-----------------------|---------------------------------|---------------------|-----------------------------------|---------------------|----------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2008 | \$ 1,685,000 | \$ 924,363 | \$ - | \$ - | \$ 1,685,000 | \$ 924,363 |
| 2009 | 1,805,000 | 868,627 | - | - | 1,805,000 | 868,627 |
| 2010 | 1,920,000 | 821,453 | - | - | 1,920,000 | 821,453 |
| 2011 | 2,040,000 | 756,615 | - | - | 2,040,000 | 756,615 |
| 2012 | 2,205,000 | 681,840 | - | - | 2,205,000 | 681,840 |
| 2013 - 2017 | 9,245,000 | 2,170,829 | 725,000 | 3,580,000 | 9,970,000 | 5,750,829 |
| 2018 - 2022 | 2,675,000 | 1,014,946 | - | - | 2,675,000 | 1,014,946 |
| 2023 - 2027 | 2,600,000 | 479,531 | - | - | 2,600,000 | 479,531 |
| 2028 | <u>600,000</u> | <u>15,000</u> | <u>-</u> | <u>-</u> | <u>600,000</u> | <u>15,000</u> |
| Total | <u>\$ 24,775,000</u> | <u>\$ 7,733,204</u> | <u>\$ 725,000</u> | <u>\$ 3,580,000</u> | <u>\$ 25,500,000</u> | <u>\$11,313,204</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and state laws. Classified employees earn ten to twenty-one days of vacation per year, depending upon length of service and hours worked. Teachers and administrators who are not on a twelve month contract do not earn vacation time. Administrators employed to work 260 days per year earn vacation annually as specified in their individual contracts. Classified employees and administrators who earn vacation are paid for accumulated unused vacation time upon termination of employment. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 325 days for classified employees. The certified employees' sick leave accrual is continuous, without limit. Upon retirement, certified employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 240 days. Classified employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 224 days. Administrative employees with five or more years of service receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 240 days. In addition, administrative employees with 10 or more years of service receive an additional 10 days for every year worked in excess of 10 years to a maximum of 30 additional days.

B. Insurance Benefits

The District provides term life insurance and accidental death and dismemberment insurance to most employees through Anthem Life Insurance, in the amount of \$50,000 or \$25,000 for all certified employees depending upon full and part time teaching, \$45,000 or \$30,000 for all noncertified employees depending upon the number of years each employee worked, and \$70,000 for each administrator except the superintendent and treasurer which are \$100,000.

C. Retirement Incentive Plan

During fiscal year 2006, the District offered a Retirement Incentive Bonus ("RIB") and a Health Care Reimbursement Account ("HRA") to certified teaching employees who are currently eligible to retire with the State Teachers Retirement System. Teachers electing to retire and accept the RIB and HRA are entitled to their normal severance payment (See Note 11.A.) plus a \$17,000 RIB plus an \$8,000 HRA. The employee's severance payment is payable in three substantially-equal payments with the first payment being made on or about the one-year anniversary date of the employee's retirement and each subsequent payment being payable on or about the yearly anniversary of the retirement date. The employee's RIB payment is payable in four substantially-equal payments with the first payment being made on or about the one-year anniversary date of the employee's retirement and each subsequent payment being payable on or about the yearly anniversary of the retirement date. The employee's HRA payment is payable in four substantially-equal payments with the first payment being made on or about the one-year anniversary date of the employee's retirement and each subsequent payment being payable on or about the yearly anniversary of the retirement date.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 11 - OTHER EMPLOYEE BENEFITS - (Continued)

The District has entered into a Memorandum of Agreement (MOA) with the Westlake Teachers Association whereby any teacher who would like to retire under the STRS parameters of age 55 with at least 25 years of service credit, or age 60 with at least 5 years of service credit. Under the MOA, any teacher who first becomes eligible to retire under this STRS parameter between July 2, 2006 and July 7, 2007, can retire under the retirement incentive plan. In addition, any teacher who first becomes eligible to retire under this STRS parameter between July 2, 2007 and July 1, 2008, can retire under the retirement incentive plan.

The employee's severance payment has been recorded as a component of "compensated absences payable" on the fund financial statements and the RIB and HRA payments have been recorded as "retirement incentive" on the fund financial statements to the extent that each will be liquidated using current expendable financial resources. The entire liability is recorded on the statement of net assets.

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2007, the District contracted through the Ohio Schools Council with various insurance carriers for specific coverage types.

The District contracts with Indiana Insurance and Travelers Insurance to provide property and general liability insurance, as well as boiler and machinery coverage. There is a \$5,000 deductible with a one hundred percent co-insurance for property and a \$1,000 deductible for boiler and machinery coverage. There is no deductible for general liability.

General liability is protected by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate limit including a \$6,000,000 umbrella coverage policy. Employee dishonesty coverage is provided by Ohio Casualty with a \$1,000 deductible. Vehicles are covered by Indiana Insurance Agency and have a \$250 deductible for comprehensive and \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability excluding the umbrella coverage indicated above.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last year.

B. Worker's Compensation

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 12 - RISK MANAGEMENT - (Continued)

C. Employee Medical Benefits

For the period July 1, 2006 – December 31, 2006, the District provided employee medical, surgical, prescription drug, vision and dental benefits through a self-funded program. The District maintained a self-insurance internal service fund to account for and finance this program. The District maintained a Traditional and PPO plan design option for its employees. Claims were subject to a \$200 single and \$400 family first dollar deductible and an 80/20 percent co-pay for the next \$2,000 single/\$4,000 family total of eligible expenses. The other plan was a Preferred Provider Organization for both physicians and hospitals. Claims were subject to a \$100 single and \$200 family first dollar deductible. The dental/vision benefits were subject to certain deductibles, co-pays and maximum benefits as outlined in the health plan document. The prescription drug plan utilizes a three-tier co-pay system and is applicable for all staff (\$7 generic, \$15 single-source and \$30 multi-source). Mail-order co-pays were \$14, \$30 and \$60, respectively.

Medical Mutual of Ohio was the third-party administrator of the plan. The administrator monitors the plan and reviews all claims which are funded by the District. The District paid into the self-insurance internal service fund \$1,297 for full family coverage and \$511 for full single coverage per month. This represented the entire premium required to fund expected claims in conjunction with current healthcare reserves. The premium is paid by the fund that pays the salary of the employee and is based on historical and projected cost information.

The District maintained stop-loss coverage for its medical insurance program. Aggregate stop loss was maintained at 110 percent of expected claims. The aggregate stop-loss was not met in 2007. Under the cooperative arrangement, the District maintained a \$175,000 specific and aggregate stop-loss based upon an attachment point. The third-party administrator provides claim review and processing for the medical insurance program as well.

The claims liability of \$1,773 reported in the self-insurance fund at June 30, 2007 is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last two fiscal years follows:

| <u>Fiscal Year</u> | <u>Beginning Balance</u> | <u>Current Year Claims</u> | <u>Claims Payments</u> | <u>Ending Balance</u> |
|------------------------|------------------------------|--------------------------------|----------------------------|---------------------------|
| 2007 | \$ 480,680 | \$ 2,218,858 | \$ (2,697,765) | \$ 1,773 |
| 2006 | 1,397,246 | 4,171,098 | (5,087,664) | 480,680 |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 12 - RISK MANAGEMENT - (Continued)

Effective January 1, 2007, the District joined the Suburban Health Consortium, a shared risk pool (Note 2.A.) to provide employee medical, surgical, prescription drug, vision and dental benefits. Rates are set through an annual calculation process. The District pays a monthly contribution and a pro-rata share of their "buy-in" contribution to existing plan reserves which is placed in a common fund from which the claim payments are made for all participating districts. For the period January 1, 2007 through June 30, 2007, the District paid 92.5% of the cost of the monthly premium for classified, certified and administrative employees.

NOTE 13 - PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit 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 may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's required contribution for pension obligations to SERS for fiscal years ended 2007, 2006, and 2005 were \$741,110, \$689,871, and \$672,331, respectively; 46.37 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2005 and 2005.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. 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 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 13 - PENSION PLANS - (Continued)

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 member contributions and earned interest matched by STRS Ohio funds times 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 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. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. 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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal years 2006 and 2005, the portion used to fund pension benefits was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005 were \$2,714,366, \$2,689,279 and \$2,540,104, respectively; 83.08 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. Contributions to the DC and Combined Plans for fiscal year 2007 were \$29,057 made by the District and \$52,760 made by plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the District Retirement System. As of June 30, 2007, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages.

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 14 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio) and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS Ohio retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$208,797 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.5 billion. For the fiscal year ended June 30, 2006 (the latest information available), net health care costs paid by STRS Ohio were \$282.743 million and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll compared to 3.42 percent of covered payroll for fiscal year 2006. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the total surcharge is capped at 2 percent of each employer's SERS salaries. For the District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$361,988.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next year. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available) were \$158.751 million. At June 30, 2006 (the latest information available), SERS had net assets available for payment of health care benefits of \$295.6 million. At June 30, 2006 (the latest information available), SERS had 59,492 participants currently receiving health care benefits.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 15 - STATUTORY RESERVES

The District is required by state statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks/instructional materials and capital acquisition. Disclosure of this information is required by state statute.

| | <u>Textbooks/ Instructional Materials</u> | <u>Capital Improvements Reserve</u> |
|--|---|---|
| Set-aside balance as of June 30, 2006 | \$ (1,211,054) | \$ - |
| Current year set-aside requirement | 611,946 | 611,946 |
| Qualifying disbursements | <u>(469,931)</u> | <u>(1,586,653)</u> |
| Total | <u>\$ (1,069,039)</u> | <u>\$ (974,707)</u> |
| Balance carried forward to FY 2008 | <u>\$ (1,069,039)</u> | <u>\$ -</u> |

The District had qualifying disbursements during the year that reduced the set-aside amounts below zero for the textbook/instructional materials and capital acquisition reserves. These extra amounts may be used to reduce the set-aside requirement for future years for the textbook/instructional materials. The negative amount is therefore presented as being carried forward to next fiscal year. Although the District had qualifying disbursement during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. The negative amount is therefore not presented as being carried forward to next fiscal year.

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is party to legal proceedings. The District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
- (e) Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

| | <u>General Fund</u> |
|---|---------------------|
| Budget basis | \$ 19,305 |
| Net adjustment for revenue accruals | 879,977 |
| Net adjustment for expenditure accruals | (351,094) |
| Net adjustment for other sources/uses | (15,745) |
| Adjustment for encumbrances | <u>2,682,765</u> |
| GAAP basis | <u>\$ 3,215,208</u> |

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the District

Local Grants Fund

This fund accounts for monies received to promote community involvement and to support activities between the school and the community.

Uniform School Supplies Fund

This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Interdistrict Summer School Fund

This fund accounts for tuition received from four surrounding school districts as well as Westlake City School District students for the purpose of summer school education.

Community Education Fund

This fund accounts for revenues and expenses involved in upgrading and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupation or planned occupation.

Public School Support Fund

This fund accounts for school site sales revenue and expenditures for field trips, assemblies and other activity costs.

Professional Development Grant Fund

This fund accounts for State monies that provide a limitation on the number of professional development subsidy grants.

Athletic and Music Fund

This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the District's athletic program and transportation of the band to and from athletic events.

Auxiliary Services Fund

This fund accounts for funds which provide services and materials to pupils attending non-public schools within the District.

Educational Management Information Systems Fund

This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

Entry Year Programs Fund

This fund accounts for State monies which support the development of programs for teachers beginning employment with the District.

Data Communications Support Fund

This fund accounts for State monies received to provided Ohio Educational Computer Network Connections.

School Net Professional Development Fund

This fund accounts for State monies that provide a limitation on the number of professional development subsidy grants.

Ohio Reads Grant Fund

This fund accounts for monies that improve reading outcomes on the reading proficiency test and for volunteer coordinators in public school buildings.

Career Education Program Fund

This fund accounts for State monies provided to make special education students aware of career opportunities.

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Special Revenue Funds - (Continued)

Adult Basic Education Fund

This fund accounts for federal monies used to provide financial support to programs in reading, writing and math competency for adults that do not have a high school diploma.

IDEA, Part B Special Education Fund

This fund accounts for federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Limited English Proficiency Fund

This fund accounts for State monies used for instruction in the child's native language to the extent necessary to allow a child to achieve competence in English.

Energy Audit Fund

This fund accounts for State monies used for energy efficient studies to make the District more energy efficient.

Title V Fund

This fund accounts for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff developments.

Drug Free Schools Grant Fund

This fund accounts for federal revenues which support the implementation of programs for drug abuse education and prevention.

Early Childhood Education Development Fund

This fund accounts for State monies which partially support the preschool program focusing on the early education of handicapped children.

E-Rate Grant Fund

This fund accounts for federal funds which support the telecommunications activities within the District.

Improving Teacher Quality Fund

This fund accounts for various monies to hire additional classroom teachers, so that the number of students per teacher will be reduced.

Nonmajor Capital Projects Funds

Capital Projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement Fund

This fund accounts for monies to be used for various improvements to the buildings within the District.

Building Fund

The building fund is used for property taxes levied to be used for various capital improvements within the District.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 35,999,519 | \$ 36,151,337 | \$ 37,099,839 | \$ 948,502 |
| Tuition | 8,773 | 8,810 | 9,041 | 231 |
| Transportation fees | 22,696 | 22,792 | 23,390 | 598 |
| Earnings on investments | 965,615 | 969,687 | 995,129 | 25,442 |
| Classroom materials and fees | 9,492 | 9,532 | 9,782 | 250 |
| Other local revenues | 115,350 | 115,837 | 118,876 | 3,039 |
| Other revenue | 4,464 | 4,482 | 4,600 | 118 |
| Intergovernmental - State | 7,498,073 | 7,529,694 | 7,727,251 | 197,557 |
| Total revenues | <u>44,623,982</u> | <u>44,812,171</u> | <u>45,987,908</u> | <u>1,175,737</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and wages | 14,889,894 | 14,427,357 | 14,301,341 | 126,016 |
| Fringe benefits | 5,134,779 | 4,724,319 | 4,724,319 | - |
| Purchased services | 48,545 | 82,135 | 77,207 | 4,928 |
| Supplies | 462,076 | 584,278 | 584,278 | - |
| Capital outlay | 247,778 | 770,104 | 770,103 | 1 |
| Total Regular | <u>20,783,072</u> | <u>20,588,193</u> | <u>20,457,248</u> | <u>130,945</u> |
| Special: | | | | |
| Salaries and wages | 2,097,660 | 2,115,437 | 2,115,437 | - |
| Fringe benefits | 1,142,822 | 1,038,139 | 1,038,139 | - |
| Purchased services | 3,795 | 7,113 | 7,113 | - |
| Supplies | 9,510 | 18,050 | 18,050 | - |
| Capital outlay | 15,471 | 14,885 | 12,247 | 2,638 |
| Other | 39,000 | 31,162 | 29,485 | 1,677 |
| Total Special | <u>3,308,258</u> | <u>3,224,786</u> | <u>3,220,471</u> | <u>4,315</u> |
| Vocational: | | | | |
| Salaries and wages | 340,287 | 340,287 | 286,102 | 54,185 |
| Fringe benefits | 110,787 | 95,258 | 89,067 | 6,191 |
| Purchased services | 34,350 | 34,350 | 34,000 | 350 |
| Supplies | 5,597 | 6,880 | 6,647 | 233 |
| Total Vocational | <u>491,021</u> | <u>476,775</u> | <u>415,816</u> | <u>60,959</u> |
| Other: | | | | |
| Salaries and wages | 280,813 | 280,813 | 278,502 | 2,311 |
| Fringe benefits | 76,440 | 101,264 | 101,264 | - |
| Purchased services | 1,609,114 | 1,483,643 | 1,483,643 | - |
| Total Other | <u>1,966,367</u> | <u>1,865,720</u> | <u>1,863,409</u> | <u>2,311</u> |
| Total Instruction | <u>26,548,718</u> | <u>26,155,474</u> | <u>25,956,944</u> | <u>198,530</u> |
| Support Services: | | | | |
| Pupils: | | | | |
| Salaries and wages | 1,725,898 | 1,725,898 | 1,716,379 | 9,519 |
| Fringe benefits | 621,349 | 571,732 | 571,732 | - |
| Purchased services | 643,335 | 809,064 | 716,918 | 92,146 |
| Supplies | 70,231 | 55,840 | 42,698 | 13,142 |
| Capital outlay | - | 147 | 147 | - |
| Other | 27,965 | 27,965 | 27,525 | 440 |
| Total Pupils | <u>3,088,778</u> | <u>3,190,646</u> | <u>3,075,399</u> | <u>115,247</u> |

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Instructional Staff: | | | | |
| Salaries and wages | \$ 1,806,976 | \$ 1,806,976 | \$ 1,687,018 | \$ 119,958 |
| Fringe benefits | 688,403 | 635,727 | 635,727 | - |
| Purchased services | 125,764 | 136,652 | 136,652 | - |
| Supplies | 116,471 | 90,561 | 87,298 | 3,263 |
| Capital outlay | 79,790 | 110,334 | 109,031 | 1,303 |
| Other | 800 | 800 | 723 | 77 |
| Total Instructional Staff | <u>2,818,204</u> | <u>2,781,050</u> | <u>2,656,449</u> | <u>124,601</u> |
| Board of Education: | | | | |
| Salaries and wages | 17,559 | 22,500 | 22,500 | - |
| Fringe benefits | 1,258 | 1,650 | 1,650 | - |
| Purchased services | 1,650 | 10,706 | 10,706 | - |
| Supplies | 3,700 | 3,224 | 3,224 | - |
| Other | 7,000 | 6,875 | 6,717 | 158 |
| Total Board of Education | <u>31,167</u> | <u>44,955</u> | <u>44,797</u> | <u>158</u> |
| Administration: | | | | |
| Salaries and wages | 1,746,195 | 1,746,195 | 1,681,098 | 65,097 |
| Fringe benefits | 831,404 | 762,449 | 762,449 | - |
| Purchased services | 282,758 | 278,183 | 269,337 | 8,846 |
| Supplies | 33,418 | 34,927 | 32,041 | 2,886 |
| Capital outlay | - | 1,006 | 1,006 | - |
| Other | 57,889 | 51,922 | 43,692 | 8,230 |
| Total Administration | <u>2,951,664</u> | <u>2,874,682</u> | <u>2,789,623</u> | <u>85,059</u> |
| Fiscal: | | | | |
| Salaries and wages | 300,213 | 302,036 | 302,036 | - |
| Fringe benefits | 156,832 | 137,196 | 136,690 | 506 |
| Purchased services | 41,566 | 40,382 | 36,462 | 3,920 |
| Supplies | 8,940 | 8,940 | 6,738 | 2,202 |
| Capital outlay | 3,115 | 4,169 | 4,169 | - |
| Other | 622,509 | 629,145 | 629,095 | 50 |
| Total Fiscal | <u>1,133,175</u> | <u>1,121,868</u> | <u>1,115,190</u> | <u>6,678</u> |
| Business: | | | | |
| Salaries and wages | 274,898 | 274,898 | 263,480 | 11,418 |
| Fringe benefits | 97,665 | 88,662 | 88,662 | - |
| Purchased services | 132,811 | 134,575 | 111,278 | 23,297 |
| Supplies | 4,100 | 3,918 | 3,918 | - |
| Capital outlay | - | 220 | 220 | - |
| Other | 1,277 | 1,759 | 1,779 | (20) |
| Total Business | <u>510,751</u> | <u>504,032</u> | <u>469,337</u> | <u>34,695</u> |

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Operations and Maintenance: | | | | |
| Salaries and wages | \$ 1,680,717 | \$ 1,680,717 | \$ 1,662,187 | \$ 18,530 |
| Fringe benefits | 679,906 | 639,999 | 639,999 | - |
| Purchased services | 1,634,348 | 1,517,492 | 1,507,965 | 9,527 |
| Supplies | 262,096 | 261,162 | 232,467 | 28,695 |
| Capital outlay | 40,193 | 169,606 | 169,606 | - |
| Total Operations and Maintenance | <u>4,297,260</u> | <u>4,268,976</u> | <u>4,212,224</u> | <u>56,752</u> |
| Pupil Transportation: | | | | |
| Salaries and wages | 1,863,336 | 1,931,358 | 1,931,358 | - |
| Fringe benefits | 993,435 | 918,992 | 918,992 | - |
| Purchased services | 290,340 | 325,966 | 325,966 | - |
| Supplies | 522,859 | 447,109 | 447,109 | - |
| Capital outlay | 296,700 | 380,796 | 380,796 | - |
| Total Pupil Transportation | <u>3,966,670</u> | <u>4,004,221</u> | <u>4,004,221</u> | <u>-</u> |
| Central: | | | | |
| Salaries and wages | 50,141 | 50,141 | 35,158 | 14,983 |
| Fringe benefits | 15,968 | 13,208 | 10,821 | 2,387 |
| Purchased services | 39,800 | 40,159 | 30,945 | 9,214 |
| Supplies | 4,000 | 5,503 | 4,296 | 1,207 |
| Capital outlay | - | 196 | 196 | - |
| Other | 250 | 265 | 265 | - |
| Total Central | <u>110,159</u> | <u>109,472</u> | <u>81,681</u> | <u>27,791</u> |
| Total Support Services | <u>18,907,828</u> | <u>18,899,902</u> | <u>18,448,921</u> | <u>450,981</u> |
| Extracurricular Activities: | | | | |
| Academic and Subject Oriented Activities: | | | | |
| Salaries and wages | 129,139 | 129,139 | 123,387 | 5,752 |
| Fringe benefits | 19,712 | 18,941 | 18,941 | - |
| Total Academic and Subject Oriented Activities | <u>148,851</u> | <u>148,080</u> | <u>142,328</u> | <u>5,752</u> |
| Sports Oriented Activities: | | | | |
| Salaries and wages | 509,543 | 509,543 | 500,243 | 9,300 |
| Fringe benefits | 124,735 | 118,683 | 118,683 | - |
| Purchased services | 8,000 | 8,682 | 8,682 | - |
| Other | 150 | 150 | 80 | 70 |
| Total Sports Oriented Activities | <u>642,428</u> | <u>637,058</u> | <u>627,688</u> | <u>9,370</u> |
| Total Extracurricular Activities | <u>791,279</u> | <u>785,138</u> | <u>770,016</u> | <u>15,122</u> |

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Capital Outlay: | | | | |
| Site Improvement Services: | | | | |
| Capital outlay- replacement | \$ 96,736 | \$ 103,372 | \$ 103,372 | \$ - |
| Architecture and Engineering Services: | | | | |
| Purchased services | 25,000 | 16,600 | 16,450 | 150 |
| Building Acquisition and Construction Services: | | | | |
| Other | 500 | 500 | 36 | 464 |
| Building Improvement Services: | | | | |
| Purchased services | - | 175,404 | 175,404 | - |
| Capital outlay-replacement | - | 508,235 | 508,235 | - |
| Total Building Improvement Services | - | 683,639 | 683,639 | - |
| Total Capital Outlay | 122,236 | 804,111 | 803,497 | 614 |
| Total Expenditures | 46,370,061 | 46,644,625 | 45,979,378 | 665,247 |
| Excess of revenues over (under) expenditures | (1,746,079) | (1,832,454) | 8,530 | 1,840,984 |
| Other financing sources (uses): | | | | |
| Refund of prior year's expenditures | 17,495 | 17,569 | 18,030 | 461 |
| Transfers (out). | (280,000) | (15,770) | (9,570) | 6,200 |
| Advances in. | 50,763 | 50,978 | 52,315 | 1,337 |
| Advances (out). | (50,000) | (39,662) | - | 39,662 |
| Other uses. | (50,000) | (50,000) | (50,000) | - |
| Total other financing sources (uses) | (311,742) | (36,885) | 10,775 | 47,660 |
| Net change in fund balance | (2,057,821) | (1,869,339) | 19,305 | 1,888,644 |
| Fund balance at beginning of year | 4,498,368 | 4,498,368 | 4,498,368 | - |
| Prior year encumbrances appropriated | 1,624,662 | 1,624,662 | 1,624,662 | - |
| Fund balance at end of year. | <u>\$ 4,065,209</u> | <u>\$ 4,253,691</u> | <u>\$ 6,142,335</u> | <u>\$ 1,888,644</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 3,529,959 | \$ 3,267,529 | \$ 3,252,301 | \$ (15,228) |
| Intergovernmental | 152,133 | 316,831 | 315,354 | (1,477) |
| Total revenues | <u>3,682,092</u> | <u>3,584,360</u> | <u>3,567,655</u> | <u>(16,705)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services-fiscal: | | | | |
| Other | 3,500 | 3,500 | 2,928 | 572 |
| Total support services-fiscal | <u>3,500</u> | <u>3,500</u> | <u>2,928</u> | <u>572</u> |
| Debt service: | | | | |
| Principal retirement | 4,002,265 | 3,030,636 | 3,015,000 | 15,636 |
| Purchased services | 2,200 | 22,000 | 22,000 | - |
| Interest and fiscal charges | - | 969,629 | 969,629 | - |
| Bond issue costs | - | 66,290 | 66,290 | - |
| Total debt service | <u>4,004,465</u> | <u>4,088,555</u> | <u>4,072,919</u> | <u>15,636</u> |
| Total expenditures | <u>4,007,965</u> | <u>4,092,055</u> | <u>4,075,847</u> | <u>16,208</u> |
| Excess of revenues (under) expenditures | <u>(325,873)</u> | <u>(507,695)</u> | <u>(508,192)</u> | <u>(497)</u> |
| Other financing sources (uses): | | | | |
| Issuance of refunding bonds | | 3,803,369 | 3,785,000 | (18,369) |
| Premium on bonds sold | | 280,566 | 279,092 | (1,474) |
| Payment to refunding bond escrow agent | - | (3,996,593) | (3,996,593) | - |
| Total other financing sources (uses) | <u>-</u> | <u>87,342</u> | <u>67,499</u> | <u>(19,843)</u> |
| Net change in fund balance | (325,873) | (420,353) | (440,693) | (20,340) |
| Fund balance at beginning of year | <u>3,479,798</u> | <u>3,479,798</u> | <u>3,479,798</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 3,153,925</u> | <u>\$ 3,059,445</u> | <u>\$ 3,039,105</u> | <u>\$ (20,340)</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|
| | <u> </u> | <u> </u> | <u> </u> |
| Assets: | | | |
| Equity in pooled cash and cash equivalents. . . . | \$ 983,798 | \$ 58,675 | \$ 1,042,473 |
| Receivables: | | | |
| Accounts | 769 | - | 769 |
| Intergovernmental | 164,397 | - | 164,397 |
| Inventory held for resale | 3,552 | - | 3,552 |
| Materials and supplies inventory. | 4,966 | - | 4,966 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 1,157,482</u> | <u>\$ 58,675</u> | <u>\$ 1,216,157</u> |
| Liabilities: | | | |
| Accounts payable. | \$ 33,556 | \$ 30,658 | \$ 64,214 |
| Accrued wages and benefits | 144,638 | - | 144,638 |
| Compensated absences payable. | 5,639 | - | 5,639 |
| Intergovernmental payable | 120,508 | - | 120,508 |
| Interfund loan payable | 25,549 | - | 25,549 |
| Deferred revenue. | 109,961 | - | 109,961 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities. | <u>439,851</u> | <u>30,658</u> | <u>470,509</u> |
| Fund Balances: | | | |
| Reserved for encumbrances. | 129,575 | 4,480 | 134,055 |
| Unreserved, undesignated, reported in: | | | |
| Special revenue funds | 588,056 | - | 588,056 |
| Capital projects funds | - | 23,537 | 23,537 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances. | <u>717,631</u> | <u>28,017</u> | <u>745,648</u> |
| Total liabilities and fund balances | <u>\$ 1,157,482</u> | <u>\$ 58,675</u> | <u>\$ 1,216,157</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Revenues: | | | |
| From local sources: | | | |
| Tuition | \$ 421,962 | \$ - | \$ 421,962 |
| Charges for services | 866,401 | - | 866,401 |
| Earnings on investments | 15,342 | 6,464 | 21,806 |
| Extracurricular | 330,093 | - | 330,093 |
| Classroom materials and fees. | 233,226 | - | 233,226 |
| Contributions and donations | 227,348 | - | 227,348 |
| Other local revenues | 63,121 | - | 63,121 |
| Intergovernmental - Intermediate | 1,980 | - | 1,980 |
| Intergovernmental - State | 563,579 | - | 563,579 |
| Intergovernmental - Federal | 1,136,897 | - | 1,136,897 |
| | <hr/> | <hr/> | <hr/> |
| Total revenue | 3,859,949 | 6,464 | 3,866,413 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 128,437 | - | 128,437 |
| Special | 529,072 | - | 529,072 |
| Adult/continuing | 34,064 | - | 34,064 |
| Support services: | | | |
| Pupil | 125,718 | - | 125,718 |
| Instructional staff. | 239,058 | - | 239,058 |
| Administration | 87,575 | - | 87,575 |
| Central | 38,093 | - | 38,093 |
| Food service operations | 1,057,083 | - | 1,057,083 |
| Operation of non-instructional services | 346,871 | - | 346,871 |
| Extracurricular activities | 620,827 | - | 620,827 |
| Intergovernmental pass through | 525,403 | - | 525,403 |
| Facilities acquisition and construction | 112,676 | 136,149 | 248,825 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 3,844,877 | 136,149 | 3,981,026 |
| Excess of revenues over (under) expenditures. | <hr/> | <hr/> | <hr/> |
| | 15,072 | (129,685) | (114,613) |
| Other financing sources: | | | |
| Transfers in | 9,570 | - | 9,570 |
| | <hr/> | <hr/> | <hr/> |
| Total other financing sources | 9,570 | - | 9,570 |
| Net change in fund balances. | 24,642 | (129,685) | (105,043) |
| Fund balances at beginning of year. | <hr/> | <hr/> | <hr/> |
| | 692,989 | 157,702 | 850,691 |
| Fund balances at end of year | <hr/> | <hr/> | <hr/> |
| | \$ 717,631 | \$ 28,017 | \$ 745,648 |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

| | Food Service | Local Grants | Uniform School Supplies | Interdistrict Summer School |
|---|-------------------------|-------------------------|--|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 47,779 | \$ 42,285 | \$ 12,318 | \$ 119,776 |
| Receivables: | | | | |
| Accounts. | 333 | - | - | - |
| Intergovernmental | 21,940 | - | - | - |
| Inventory held for resale | 3,552 | - | - | - |
| Materials and supplies inventory | 4,966 | - | - | - |
| Total assets. | \$ 78,570 | \$ 42,285 | \$ 12,318 | \$ 119,776 |
| Liabilities: | | | | |
| Accounts payable. | \$ 1,819 | \$ - | \$ - | \$ - |
| Accrued wages and benefits | 48,162 | - | - | 31,795 |
| Compensated absences payable. | 5,639 | - | - | - |
| Intergovernmental payable | 41,392 | - | - | 10,764 |
| Interfund loan payable | - | - | - | - |
| Deferred revenue. | - | - | - | - |
| Total liabilities. | 97,012 | - | - | 42,559 |
| Fund Balances: | | | | |
| Reserved for encumbrances. | 7,704 | - | - | - |
| Unreserved, undesignated (deficit), reported in: | | | | |
| Special revenue funds | (26,146) | 42,285 | 12,318 | 77,217 |
| Total fund balances (deficits). | (18,442) | 42,285 | 12,318 | 77,217 |
| Total liabilities and fund balances | \$ 78,570 | \$ 42,285 | \$ 12,318 | \$ 119,776 |

| <u>Community Education</u> | <u>Public School Support</u> | <u>Professional Development Grant</u> | <u>Athletic and Music</u> | <u>Auxiliary Services</u> | <u>Educational Management Information Systems</u> | <u>Entry Year Programs</u> |
|----------------------------|------------------------------|---------------------------------------|---------------------------|---------------------------|---|----------------------------|
| \$ 23,834 | \$ 259,343 | \$ 37,031 | \$ 247,968 | \$ 100,975 | \$ 7,704 | \$ - |
| - | 230 | - | 206 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 23,834</u> | <u>\$ 259,573</u> | <u>\$ 37,031</u> | <u>\$ 248,174</u> | <u>\$ 100,975</u> | <u>\$ 7,704</u> | <u>\$ -</u> |
| \$ 2,026 | \$ 416 | \$ 1,107 | \$ 7,397 | \$ 20,066 | \$ - | \$ - |
| 19,753 | - | - | - | 20,197 | 1,083 | - |
| - | - | - | - | - | - | - |
| 36,980 | - | - | 345 | 6,506 | 725 | 111 |
| 25,549 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>84,308</u> | <u>416</u> | <u>1,107</u> | <u>7,742</u> | <u>46,769</u> | <u>1,808</u> | <u>111</u> |
| 5,407 | 9,470 | 6,512 | 5,535 | 51,027 | 987 | - |
| <u>(65,881)</u> | <u>249,687</u> | <u>29,412</u> | <u>234,897</u> | <u>3,179</u> | <u>4,909</u> | <u>(111)</u> |
| <u>(60,474)</u> | <u>259,157</u> | <u>35,924</u> | <u>240,432</u> | <u>54,206</u> | <u>5,896</u> | <u>(111)</u> |
| <u>\$ 23,834</u> | <u>\$ 259,573</u> | <u>\$ 37,031</u> | <u>\$ 248,174</u> | <u>\$ 100,975</u> | <u>\$ 7,704</u> | <u>\$ -</u> |

- - Continued

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2007

| | <u>School Net Professional Development</u> | <u>Career Education</u> | <u>Adult Basic Education</u> | <u>IDEA, Part B Special Education</u> |
|--|--|-----------------------------|--------------------------------------|---|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. . . | \$ 20 | \$ 2,000 | \$ 10,788 | \$ 65,672 |
| Receivables: | | | | |
| Accounts. | - | - | - | - |
| Intergovernmental | - | - | 42,944 | 85,742 |
| Inventory held for resale | - | - | - | - |
| Materials and supplies inventory | - | - | - | - |
| Total assets. | <u>\$ 20</u> | <u>\$ 2,000</u> | <u>\$ 53,732</u> | <u>\$ 151,414</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ - | \$ - | \$ - | \$ 725 |
| Accrued wages and benefits | - | - | 12,098 | 8,048 |
| Compensated absences payable. | - | - | - | - |
| Intergovernmental payable | 25 | - | 19,379 | 3,141 |
| Interfund loan payable | - | - | - | - |
| Deferred revenue. | - | - | 13,548 | 85,742 |
| Total liabilities. | <u>25</u> | <u>-</u> | <u>45,025</u> | <u>97,656</u> |
| Fund Balances: | | | | |
| Reserved for encumbrances. | - | - | 6,000 | 36,433 |
| Unreserved, undesignated (deficit), reported in: | | | | |
| Special revenue funds | (5) | 2,000 | 2,707 | 17,325 |
| Total fund balances (deficits). | <u>(5)</u> | <u>2,000</u> | <u>8,707</u> | <u>53,758</u> |
| Total liabilities and fund balances | <u>\$ 20</u> | <u>\$ 2,000</u> | <u>\$ 53,732</u> | <u>\$ 151,414</u> |

| Limited English Proficiency | Energy Audit | Title V | Drug Free Schools | Early Childhood Education Development | E-Rate Grant | Improving Teacher Quality | Total Nonmajor Special Revenue Funds |
|------------------------------------|---------------------|----------------|--------------------------|--|---------------------|----------------------------------|---|
| \$ - | \$ 786 | \$ 66 | \$ - | \$ 702 | \$ 2,089 | \$ 2,662 | \$ 983,798 |
| - | - | - | - | - | - | - | 769 |
| - | - | - | - | 6,157 | - | 7,614 | 164,397 |
| - | - | - | - | - | - | - | 3,552 |
| - | - | - | - | - | - | - | 4,966 |
| <u>\$ -</u> | <u>\$ 786</u> | <u>\$ 66</u> | <u>\$ -</u> | <u>\$ 6,859</u> | <u>\$ 2,089</u> | <u>\$ 10,276</u> | <u>\$ 1,157,482</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 33,556 |
| - | - | - | - | 3,502 | - | - | 144,638 |
| - | - | - | - | - | - | - | 5,639 |
| 74 | - | 52 | 48 | 602 | - | 364 | 120,508 |
| - | - | - | - | - | - | - | 25,549 |
| - | - | - | - | 3,057 | - | 7,614 | 109,961 |
| <u>74</u> | <u>-</u> | <u>52</u> | <u>48</u> | <u>7,161</u> | <u>-</u> | <u>7,978</u> | <u>439,851</u> |
| - | - | - | - | 500 | - | - | 129,575 |
| <u>(74)</u> | <u>786</u> | <u>14</u> | <u>(48)</u> | <u>(802)</u> | <u>2,089</u> | <u>2,298</u> | <u>588,056</u> |
| <u>(74)</u> | <u>786</u> | <u>14</u> | <u>(48)</u> | <u>(302)</u> | <u>2,089</u> | <u>2,298</u> | <u>717,631</u> |
| <u>\$ -</u> | <u>\$ 786</u> | <u>\$ 66</u> | <u>\$ -</u> | <u>\$ 6,859</u> | <u>\$ 2,089</u> | <u>\$ 10,276</u> | <u>\$ 1,157,482</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Food Service</u> | <u>Local Grants</u> | <u>Uniform School Supplies</u> | <u>Interdistrict Summer School</u> |
|---|-------------------------|-------------------------|--|--|
| Revenues: | | | | |
| From local sources: | | | | |
| Tuition | \$ - | \$ - | \$ - | \$ 91,645 |
| Charges for services | 866,401 | - | - | - |
| Earnings on investments | 2,202 | 1,370 | - | - |
| Extracurricular | - | - | - | - |
| Classroom materials and fees. | - | - | 24,037 | - |
| Contributions and donations | - | 10,687 | - | - |
| Other local revenues | 7,100 | - | - | - |
| Intergovernmental - Intermediate | - | - | - | - |
| Intergovernmental - State | 4,148 | - | - | - |
| Intergovernmental - Federal | 156,840 | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenue. | 1,036,691 | 12,057 | 24,037 | 91,645 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | - | - | 20,051 | 61,945 |
| Special | - | - | - | - |
| Adult/continuing | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff. | - | - | - | - |
| Administration | - | - | - | 12,884 |
| Central | - | - | - | - |
| Operation of non-instructional services: | | | | |
| Food service operations | 1,057,083 | - | - | - |
| Other non-instructional services | - | 26 | - | - |
| Extracurricular activities. | - | 8,867 | - | - |
| Intergovernmental pass through | - | - | - | - |
| Facilities acquisition and construction. | - | 21 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 1,057,083 | 8,914 | 20,051 | 74,829 |
| Excess (deficiency) of revenues over (under) expenditures. | (20,392) | 3,143 | 3,986 | 16,816 |
| Other financing sources: | | | | |
| Transfers in. | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total other financing sources. | - | - | - | - |
| Net change in fund balances | (20,392) | 3,143 | 3,986 | 16,816 |
| Fund balances (deficit) at beginning of year. | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,950 | 39,142 | 8,332 | 60,401 |
| Fund balances (deficit) at end of year | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ (18,442) | \$ 42,285 | \$ 12,318 | \$ 77,217 |

| Community Education | Public School Support | Professional Development Grant | Athletics and Music | Auxiliary Services | Educational Management Information Systems |
|--------------------------------|--------------------------------------|---|--------------------------------|-------------------------------|---|
| \$ 330,317 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | 2,869 | - | 8,901 | - |
| - | 123,886 | - | 206,207 | - | - |
| 5,309 | 203,880 | - | - | - | - |
| - | 58,681 | 120,217 | 37,763 | - | - |
| 18,587 | 1,835 | 27,244 | 8,355 | - | - |
| - | - | 1,980 | - | - | - |
| - | - | - | - | 455,241 | 13,824 |
| - | - | - | - | - | - |
| <u>354,213</u> | <u>388,282</u> | <u>152,310</u> | <u>252,325</u> | <u>464,142</u> | <u>13,824</u> |
| - | - | 2,177 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 74,691 | - | - | - | - | - |
| - | - | - | - | - | 17,093 |
| - | - | - | - | - | - |
| 275,220 | 2,802 | - | - | - | - |
| - | 371,236 | - | 240,724 | - | - |
| - | - | - | - | 525,403 | - |
| - | - | 112,655 | - | - | - |
| <u>349,911</u> | <u>374,038</u> | <u>114,832</u> | <u>240,724</u> | <u>525,403</u> | <u>17,093</u> |
| 4,302 | 14,244 | 37,478 | 11,601 | (61,261) | (3,269) |
| - | - | - | 9,570 | - | - |
| - | - | - | 9,570 | - | - |
| 4,302 | 14,244 | 37,478 | 21,171 | (61,261) | (3,269) |
| <u>(64,776)</u> | <u>244,913</u> | <u>(1,554)</u> | <u>219,261</u> | <u>115,467</u> | <u>9,165</u> |
| <u>\$ (60,474)</u> | <u>\$ 259,157</u> | <u>\$ 35,924</u> | <u>\$ 240,432</u> | <u>\$ 54,206</u> | <u>\$ 5,896</u> |

-- Continued

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Entry Year Programs</u> | <u>Data Communications Support</u> | <u>School Net Professional Development</u> | <u>Ohio Reads Grant</u> |
|---|--------------------------------|--|--|-----------------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Tuition | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - |
| Earnings on investments | - | - | - | - |
| Extracurricular | - | - | - | - |
| Classroom materials and fees. | - | - | - | - |
| Contributions and donations | - | - | - | - |
| Other local revenues | - | - | - | - |
| Intergovernmental - Intermediate | - | - | - | - |
| Intergovernmental - State | 10,350 | 21,000 | 3,300 | 8,000 |
| Intergovernmental - Federal | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenue. | 10,350 | 21,000 | 3,300 | 8,000 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | - | - | - | - |
| Special | - | - | - | - |
| Adult/continuing | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff. | 10,428 | - | 3,911 | 8,000 |
| Administration | - | - | - | - |
| Central | - | 21,000 | - | - |
| Operation of non-instructional services: | | | | |
| Food service operations | - | - | - | - |
| Other non-instructional services | - | - | - | - |
| Extracurricular activities. | - | - | - | - |
| Intergovernmental pass through | - | - | - | - |
| Facilities acquisition and construction. | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 10,428 | 21,000 | 3,911 | 8,000 |
| Excess (deficiency) of revenues over (under) expenditures. | (78) | - | (611) | - |
| Other financing sources: | | | | |
| Transfers in. | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total other financing sources. | - | - | - | - |
| Net change in fund balances | (78) | - | (611) | - |
| Fund balances (deficit) at beginning of year. | <hr/> (33) <hr/> | <hr/> - <hr/> | <hr/> 606 <hr/> | <hr/> - <hr/> |
| Fund balances (deficit) at end of year | <hr/> \$ (111) <hr/> | <hr/> \$ - <hr/> | <hr/> \$ (5) <hr/> | <hr/> \$ - <hr/> |

| <u>Career Education</u> | <u>Adult Basic Education</u> | <u>IDEA, Part B Special Education</u> | <u>Limited English Proficiency</u> | <u>Energy Audit</u> | <u>Title V</u> | <u>Drug Free Schools</u> |
|-------------------------|------------------------------|---------------------------------------|------------------------------------|---------------------|----------------|--------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 12,524 | 35,192 | - | - | - | - | - |
| - | 68,851 | 799,248 | 6,720 | - | 6,396 | 7,771 |
| <u>12,524</u> | <u>104,043</u> | <u>799,248</u> | <u>6,720</u> | <u>-</u> | <u>6,396</u> | <u>7,771</u> |
| - | - | - | - | - | - | - |
| - | - | 527,253 | - | - | - | - |
| - | 34,064 | - | - | - | - | - |
| 10,524 | - | 85,715 | - | - | - | 7,304 |
| - | 65,368 | 116,928 | 6,794 | - | 4,693 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 66,232 | - | - | 937 | 470 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>10,524</u> | <u>99,432</u> | <u>796,128</u> | <u>6,794</u> | <u>-</u> | <u>5,630</u> | <u>7,774</u> |
| 2,000 | 4,611 | 3,120 | (74) | - | 766 | (3) |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 2,000 | 4,611 | 3,120 | (74) | - | 766 | (3) |
| - | 4,096 | 50,638 | - | 786 | (752) | (45) |
| <u>\$ 2,000</u> | <u>\$ 8,707</u> | <u>\$ 53,758</u> | <u>\$ (74)</u> | <u>\$ 786</u> | <u>\$ 14</u> | <u>\$ (48)</u> |

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Early Childhood Education Development</u> | <u>E-Rate Grant</u> | <u>Improving Teacher Quality</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|---|--|-------------------------|--|---|
| Revenues: | | | | |
| From local sources: | | | | |
| Tuition | \$ - | \$ - | \$ - | \$ 421,962 |
| Charges for services | - | - | - | 866,401 |
| Earnings on investments | - | - | - | 15,342 |
| Extracurricular | - | - | - | 330,093 |
| Classroom materials and fees. | - | - | - | 233,226 |
| Contributions and donations | - | - | - | 227,348 |
| Other local revenues | - | - | - | 63,121 |
| Intergovernmental - Intermediate | - | - | - | 1,980 |
| Intergovernmental - State | - | - | - | 563,579 |
| Intergovernmental - Federal | 23,182 | - | 67,889 | 1,136,897 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenue. | 23,182 | - | 67,889 | 3,859,949 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | - | - | 44,264 | 128,437 |
| Special | 1,819 | - | - | 529,072 |
| Adult/continuing | - | - | - | 34,064 |
| Support services: | | | | |
| Pupil | 22,175 | - | - | 125,718 |
| Instructional staff. | - | - | 22,936 | 239,058 |
| Administration | - | - | - | 87,575 |
| Central | - | - | - | 38,093 |
| Operation of non-instructional services: | | | | |
| Food service operations | - | - | - | 1,057,083 |
| Other non-instructional services | - | - | 1,184 | 346,871 |
| Extracurricular activities. | - | - | - | 620,827 |
| Intergovernmental pass through | - | - | - | 525,403 |
| Facilities acquisition and construction. | - | - | - | 112,676 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 23,994 | - | 68,384 | 3,844,877 |
| Excess (deficiency) of revenues over (under) expenditures. | (812) | - | (495) | 15,072 |
| Other financing sources: | | | | |
| Transfers in. | - | - | - | 9,570 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total other financing sources. | - | - | - | 9,570 |
| Net change in fund balances | (812) | - | (495) | 24,642 |
| Fund balances (deficit) at beginning of year. | <hr/> | <hr/> | <hr/> | <hr/> |
| | 510 | 2,089 | 2,793 | 692,989 |
| Fund balances (deficit) at end of year | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ (302) | \$ 2,089 | \$ 2,298 | \$ 717,631 |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 1,966 | \$ 2,187 | \$ 2,202 | \$ 15 |
| Charges for services | 773,475 | 860,620 | 866,400 | 5,780 |
| Other local revenues | 6,082 | 6,768 | 6,813 | 45 |
| Intergovernmental | 126,198 | 140,416 | 141,359 | 943 |
| Total revenues. | <u>907,721</u> | <u>1,009,991</u> | <u>1,016,774</u> | <u>6,783</u> |
| Expenditures: | | | | |
| Operation of non-instructional services: | | | | |
| Operation of food services: | | | | |
| Salaries and wages | 345,000 | 362,706 | 362,706 | - |
| Fringe benefits | 158,200 | 161,052 | 161,051 | 1 |
| Purchased services | 1,540 | 12,024 | 12,024 | - |
| Supplies | 452,608 | 484,934 | 484,614 | 320 |
| Capital outlay | 15,154 | 23,076 | 23,076 | - |
| Total expenditures | <u>972,502</u> | <u>1,043,792</u> | <u>1,043,471</u> | <u>321</u> |
| Excess of revenues over (under) expenditures | <u>(64,781)</u> | <u>(33,801)</u> | <u>(26,697)</u> | <u>7,104</u> |
| Other financing sources: | | | | |
| Refund of prior year's expenditures | 279 | 311 | 313 | 2 |
| Total other financing sources. | <u>279</u> | <u>311</u> | <u>313</u> | <u>2</u> |
| Net change in fund balance. | (64,502) | (33,490) | (26,384) | 7,106 |
| Fund balance at beginning of year | 57,521 | 57,521 | 57,521 | - |
| Prior year encumbrances appropriated . . | 8,608 | 8,608 | 8,608 | - |
| Fund balance at end of year. | <u>\$ 1,627</u> | <u>\$ 32,639</u> | <u>\$ 39,745</u> | <u>\$ 7,106</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 341 | \$ 946 | \$ 1,370 | \$ 424 |
| Contributions and donations | 2,659 | 7,378 | 10,687 | 3,309 |
| Total revenues | <u>3,000</u> | <u>8,324</u> | <u>12,057</u> | <u>3,733</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Supplies | 867 | 867 | 867 | - |
| Operation of non-instructional services: | | | | |
| Other non-instructional services: | | | | |
| Supplies | - | 26 | 26 | - |
| Extracurricular activities: | | | | |
| School and public service: | | | | |
| Purchased services | - | 10,000 | 8,000 | 2,000 |
| Capital outlay: | | | | |
| Site improvement services: | | | | |
| Supplies | 120 | 94 | 21 | 73 |
| Total expenditures | <u>987</u> | <u>10,987</u> | <u>8,914</u> | <u>2,073</u> |
| Net change in fund balance | 2,013 | (2,663) | 3,143 | 5,806 |
| Fund balance at beginning of year | 39,022 | 39,022 | 39,022 | - |
| Prior year encumbrances appropriated | 120 | 120 | 120 | - |
| Fund balance at end of year. | <u>\$ 41,155</u> | <u>\$ 36,479</u> | <u>\$ 42,285</u> | <u>\$ 5,806</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Classroom materials and fees | \$ 19,500 | \$ 19,500 | \$ 24,037 | \$ 4,537 |
| Total revenues | <u>19,500</u> | <u>19,500</u> | <u>24,037</u> | <u>4,537</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Supplies | <u>23,000</u> | <u>23,000</u> | <u>20,051</u> | <u>2,949</u> |
| Total expenditures | <u>23,000</u> | <u>23,000</u> | <u>20,051</u> | <u>2,949</u> |
| Net change in fund balance | (3,500) | (3,500) | 3,986 | 7,486 |
| Fund balance at beginning of year | <u>8,332</u> | <u>8,332</u> | <u>8,332</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 4,832</u> | <u>\$ 4,832</u> | <u>\$ 12,318</u> | <u>\$ 7,486</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERDISTRICT SUMMER SCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Tuition | \$ 88,500 | \$ 88,500 | \$ 91,645 | \$ 3,145 |
| Total revenues. | <u>88,500</u> | <u>88,500</u> | <u>91,645</u> | <u>3,145</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and wages | 52,167 | 52,167 | 52,167 | - |
| Fringe benefits | 8,019 | 8,019 | 8,019 | - |
| Supplies | 50 | 681 | 681 | - |
| Capital outlay | 2,500 | 1,869 | - | 1,869 |
| Total instruction. | <u>62,736</u> | <u>62,736</u> | <u>60,867</u> | <u>1,869</u> |
| Support services: | | | | |
| Administration: | | | | |
| Salaries and wages | 11,000 | 11,000 | 10,960 | 40 |
| Fringe benefits | 2,000 | 2,000 | 1,799 | 201 |
| Purchased services | 300 | 300 | 246 | 54 |
| Supplies | 50 | 50 | - | 50 |
| Capital outlay | 200 | 200 | - | 200 |
| Total support services. | <u>13,550</u> | <u>13,550</u> | <u>13,005</u> | <u>545</u> |
| Total expenditures | <u>76,286</u> | <u>76,286</u> | <u>73,872</u> | <u>2,414</u> |
| Excess of revenues over expenditures | <u>12,214</u> | <u>12,214</u> | <u>17,773</u> | <u>5,559</u> |
| Other financing uses: | | | | |
| Refund of prior year's (receipts) | (1,000) | (1,000) | - | 1,000 |
| Total other financing uses | <u>(1,000)</u> | <u>(1,000)</u> | <u>-</u> | <u>1,000</u> |
| Net change in fund balance | 11,214 | 11,214 | 17,773 | 6,559 |
| Fund balance at beginning of year | <u>102,003</u> | <u>102,003</u> | <u>102,003</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 113,217</u> | <u>\$ 113,217</u> | <u>\$ 119,776</u> | <u>\$ 6,559</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Tuition | \$ 317,063 | \$ 325,557 | \$ 330,317 | \$ 4,760 |
| Classroom materials and fees | 5,096 | 5,233 | 5,309 | 76 |
| Other local revenues | 17,841 | 18,319 | 18,587 | 268 |
| Total revenues. | <u>340,000</u> | <u>349,109</u> | <u>354,213</u> | <u>5,104</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Administration: | | | | |
| Salaries and wages | 63,000 | 47,992 | 47,992 | - |
| Fringe benefits | 31,000 | 24,882 | 24,881 | 1 |
| Total support services. | <u>94,000</u> | <u>72,874</u> | <u>72,873</u> | <u>1</u> |
| Operation of non-instructional services: | | | | |
| Other non-instructional services: | | | | |
| Salaries and wages | 153,000 | 165,975 | 164,975 | 1,000 |
| Fringe benefits | 53,500 | 54,756 | 54,756 | - |
| Purchased services | 7,124 | 11,083 | 11,083 | - |
| Supplies | 29,796 | 54,036 | 49,746 | 4,290 |
| Capital outlay | 1,200 | 729 | 729 | - |
| Total operation of non-instructional services | <u>244,620</u> | <u>286,579</u> | <u>281,289</u> | <u>5,290</u> |
| Total expenditures | <u>338,620</u> | <u>359,453</u> | <u>354,162</u> | <u>5,291</u> |
| Excess of revenues over (under) expenditures | <u>1,380</u> | <u>(10,344)</u> | <u>51</u> | <u>10,395</u> |
| Other financing uses: | | | | |
| Refund of prior year's (receipts) | (1,700) | (947) | (947) | - |
| Advances (out) | - | (12,000) | (12,000) | - |
| Total other financing uses | <u>(1,700)</u> | <u>(12,947)</u> | <u>(12,947)</u> | <u>-</u> |
| Net change in fund balance | (320) | (23,291) | (12,896) | 10,395 |
| Fund balance at beginning of year | 24,381 | 24,381 | 24,381 | - |
| Prior year encumbrances appropriated | 4,917 | 4,917 | 4,917 | - |
| Fund balance at end of year. | <u>\$ 28,978</u> | <u>\$ 6,007</u> | <u>\$ 16,402</u> | <u>\$ 10,395</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Extracurricular | \$ 127,694 | \$ 108,540 | \$ 123,989 | \$ 15,449 |
| Classroom materials and fees. | 209,972 | 178,476 | 203,880 | 25,404 |
| Other local revenues | 62,334 | 52,984 | 60,526 | 7,542 |
| Total revenues. | <u>400,000</u> | <u>340,000</u> | <u>388,395</u> | <u>48,395</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Board of education: | | | | |
| Purchased services | 2,150 | 2,150 | 300 | 1,850 |
| Operation of non-instructional services: | | | | |
| Other non-instructional services: | | | | |
| Supplies | 3,493 | 3,766 | 2,941 | 825 |
| Extracurricular activities: | | | | |
| School and public service co-curricular activities: | | | | |
| Purchased services | - | 2,029 | 1,495 | 534 |
| Supplies | 481,917 | 472,564 | 351,809 | 120,755 |
| Capital outlay | 748 | 28,286 | 28,044 | 242 |
| Total extracurricular activities. | <u>482,665</u> | <u>502,879</u> | <u>381,348</u> | <u>121,531</u> |
| Total expenditures | <u>488,308</u> | <u>508,795</u> | <u>384,589</u> | <u>124,206</u> |
| Net change in fund balance | (88,308) | (168,795) | 3,806 | 172,601 |
| Fund balance at beginning of year | 237,902 | 237,902 | 237,902 | - |
| Prior year encumbrances appropriated | 7,748 | 7,748 | 7,748 | - |
| Fund balance at end of year. | <u>\$ 157,342</u> | <u>\$ 76,855</u> | <u>\$ 249,456</u> | <u>\$ 172,601</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROFESSIONAL DEVELOPMENT GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ 2,815 | \$ 2,869 | \$ 54 |
| Other local revenues | - | 144,683 | 147,461 | 2,778 |
| Intergovernmental - Intermediate. | - | 1,943 | 1,980 | 37 |
| Total revenues. | <u>-</u> | <u>149,441</u> | <u>152,310</u> | <u>2,869</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Supplies | <u>3,054</u> | <u>5,034</u> | <u>2,283</u> | <u>2,751</u> |
| Total instruction | <u>3,054</u> | <u>5,034</u> | <u>2,283</u> | <u>2,751</u> |
| Support services: | | | | |
| Pupils: | | | | |
| Supplies | 356 | 356 | - | 356 |
| Instructional staff: | | | | |
| Salaries and wages | 3,000 | 3,000 | - | 3,000 |
| Fringe benefits | 464 | 464 | - | 464 |
| Purchased services | 7,410 | 7,410 | - | 7,410 |
| Supplies | <u>1,636</u> | <u>1,636</u> | <u>-</u> | <u>1,636</u> |
| Total instructional staff | <u>12,510</u> | <u>12,510</u> | <u>-</u> | <u>12,510</u> |
| Capital outlay: | | | | |
| Site improvement services: | | | | |
| Purchased services | - | 549 | 549 | - |
| Capital outlay | <u>-</u> | <u>119,667</u> | <u>118,618</u> | <u>1,049</u> |
| Total site improvement services | <u>-</u> | <u>120,216</u> | <u>119,167</u> | <u>1,049</u> |
| Total expenditures | <u>15,920</u> | <u>138,116</u> | <u>121,450</u> | <u>16,666</u> |
| Excess of revenues over (under) expenditures | <u>(15,920)</u> | <u>11,325</u> | <u>30,860</u> | <u>19,535</u> |
| Other financing uses: | | | | |
| Advances (out) | <u>(27,244)</u> | <u>(27,244)</u> | <u>(27,244)</u> | <u>-</u> |
| Total other financing uses | <u>(27,244)</u> | <u>(27,244)</u> | <u>(27,244)</u> | <u>-</u> |
| Net change in fund balance | (43,164) | (15,919) | 3,616 | 19,535 |
| Fund balance at beginning of year | <u>25,797</u> | <u>25,797</u> | <u>25,797</u> | <u>-</u> |
| Fund balance (deficit) at end of year. | <u>\$ (17,367)</u> | <u>\$ 9,878</u> | <u>\$ 29,413</u> | <u>\$ 19,535</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETIC AND MUSIC FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Extracurricular | \$ - | \$ 199,658 | \$ 206,207 | \$ 6,549 |
| Other local revenues | - | 44,859 | 46,331 | 1,472 |
| Total revenues | <u>-</u> | <u>244,517</u> | <u>252,538</u> | <u>8,021</u> |
| Expenditures: | | | | |
| Extracurricular activities | | | | |
| Sports oriented activities: | | | | |
| Salaries and wages | 7,000 | 7,000 | 4,492 | 2,508 |
| Fringe benefits | 1,000 | 1,000 | 675 | 325 |
| Purchased services | 80,000 | 78,924 | 70,773 | 8,151 |
| Supplies | 104,832 | 139,156 | 136,422 | 2,734 |
| Capital outlay | 22,000 | 15,692 | 12,965 | 2,727 |
| Other | 30,000 | 23,060 | 20,676 | 2,384 |
| Total expenditures | <u>244,832</u> | <u>264,832</u> | <u>246,003</u> | <u>18,829</u> |
| Excess of revenues over (under) expenditures | <u>(244,832)</u> | <u>(20,315)</u> | <u>6,535</u> | <u>26,850</u> |
| Other financing sources: | | | | |
| Refund of prior year's expenditures | - | 217 | 224 | 7 |
| Transfers in | - | 9,266 | 9,570 | 304 |
| Total other financing sources | <u>-</u> | <u>9,483</u> | <u>9,794</u> | <u>311</u> |
| Net change in fund balance | (244,832) | (10,832) | 16,329 | 27,161 |
| Fund balance at beginning of year | 216,875 | 216,875 | 216,875 | - |
| Prior year encumbrances appropriated | 1,832 | 1,832 | 1,832 | - |
| Fund balance (deficit) at end of year | <u>\$ (26,125)</u> | <u>\$ 207,875</u> | <u>\$ 235,036</u> | <u>\$ 27,161</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 9,397 | \$ 8,891 | \$ 8,901 | \$ 10 |
| Intergovernmental - State | 480,603 | 454,742 | 455,241 | 499 |
| Total revenues | <u>490,000</u> | <u>463,633</u> | <u>464,142</u> | <u>509</u> |
| Expenditures: | | | | |
| Intergovernmental pass through: | | | | |
| Salaries and wages | 105,599 | 106,892 | 91,670 | 15,222 |
| Fringe benefits | 65,253 | 57,515 | 49,633 | 7,882 |
| Purchased services | 161,604 | 150,015 | 147,508 | 2,507 |
| Supplies | 319,642 | 236,900 | 233,505 | 3,395 |
| Capital outlay | 28,535 | 91,933 | 91,568 | 365 |
| Total expenditures | <u>680,633</u> | <u>643,255</u> | <u>613,884</u> | <u>29,371</u> |
| Net change in fund balance | (190,633) | (179,622) | (149,742) | 29,880 |
| Fund balance at beginning of year | 117,137 | 117,137 | 117,137 | - |
| Prior year encumbrances appropriated . . | 62,486 | 62,486 | 62,486 | - |
| Fund balance (deficit) at end of year | <u>\$ (11,010)</u> | <u>\$ 1</u> | <u>\$ 29,881</u> | <u>\$ 29,880</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATIONAL MANAGEMENT INFORMATION SYSTEMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - State | \$ 12,000 | \$ 13,824 | \$ 13,824 | \$ - |
| Total revenues. | <u>12,000</u> | <u>13,824</u> | <u>13,824</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Central: | | | | |
| Salaries and wages | 4,500 | 14,100 | 9,448 | 4,652 |
| Fringe benefits | 2,690 | 6,914 | 6,056 | 858 |
| Purchased services | <u>5,372</u> | <u>5,372</u> | <u>4,166</u> | <u>1,206</u> |
| Total support services. | <u>12,562</u> | <u>26,386</u> | <u>19,670</u> | <u>6,716</u> |
| Total expenditures | <u>12,562</u> | <u>26,386</u> | <u>19,670</u> | <u>6,716</u> |
| Net change in fund balance | (562) | (12,562) | (5,846) | 6,716 |
| Fund balance at beginning of year | 10,766 | 10,766 | 10,766 | - |
| Prior year encumbrances appropriated . . | <u>1,797</u> | <u>1,797</u> | <u>1,797</u> | <u>-</u> |
| Fund balance at end of year. | <u>\$ 12,001</u> | <u>\$ 1</u> | <u>\$ 6,717</u> | <u>\$ 6,716</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTRY YEAR PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - State | \$ 4,000 | \$ 10,350 | \$ 10,350 | \$ - |
| Total revenues | <u>4,000</u> | <u>10,350</u> | <u>10,350</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff: | | | | |
| Salaries and wages | - | 10,100 | 10,100 | - |
| Purchased services | - | 250 | 250 | - |
| Total support services-instructional staff | <u>-</u> | <u>10,350</u> | <u>10,350</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>10,350</u> | <u>10,350</u> | <u>-</u> |
| Net change in fund balance | 4,000 | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ 4,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-State | \$ - | \$ 21,000 | \$ 21,000 | \$ - |
| Total revenues | <u>-</u> | <u>21,000</u> | <u>21,000</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Central: | | | | |
| Purchased services | - | 21,000 | 21,000 | - |
| Total expenditures | <u>-</u> | <u>21,000</u> | <u>21,000</u> | <u>-</u> |
| Net change in fund balance | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL NET PROFESSIONAL DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - State | \$ 24,300 | \$ 3,300 | \$ 3,300 | \$ - |
| Total revenues | <u>24,300</u> | <u>3,300</u> | <u>3,300</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff: | | | | |
| Salaries and wages | - | 2,325 | 2,325 | - |
| Fringe benefits | - | 359 | 359 | - |
| Purchased services | - | 474 | 474 | - |
| Supplies | 625 | 767 | 747 | 20 |
| Total support services | <u>625</u> | <u>3,925</u> | <u>3,905</u> | <u>20</u> |
| Total expenditures | <u>625</u> | <u>3,925</u> | <u>3,905</u> | <u>-</u> |
| Net change in fund balance | 23,675 | (625) | (605) | - |
| Fund balance at beginning of year | <u>625</u> | <u>625</u> | <u>625</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ 24,300</u> | <u>\$ -</u> | <u>\$ 20</u> | <u>\$ -</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - State | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ - |
| Total revenues | <u>8,000</u> | <u>8,000</u> | <u>8,000</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff: | | | | |
| Purchased services | - | 8,000 | 8,000 | - |
| Total expenditures | <u>-</u> | <u>8,000</u> | <u>8,000</u> | <u>-</u> |
| Net change in fund balance. | 8,000 | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance at end of year. | <u>\$ 8,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAREER EDUCATION PROGRAM FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental-State | \$ - | \$ 12,524 | \$ 12,524 | \$ - |
| Total revenues | <u>-</u> | <u>12,524</u> | <u>12,524</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and wages | - | 1,733 | - | 1,733 |
| Fringe benefits | <u>-</u> | <u>267</u> | <u>-</u> | <u>267</u> |
| Total instruction-regular | <u>-</u> | <u>2,000</u> | <u>-</u> | <u>2,000</u> |
| Support services: | | | | |
| Pupils: | | | | |
| Purchased services | - | 3,773 | 3,773 | - |
| Supplies | <u>-</u> | <u>6,751</u> | <u>6,751</u> | <u>-</u> |
| Total support services-pupil | <u>-</u> | <u>10,524</u> | <u>10,524</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>12,524</u> | <u>10,524</u> | <u>2,000</u> |
| Net change in fund balance | - | - | 2,000 | 2,000 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,000</u></u> | <u><u>\$ 2,000</u></u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT BASIC EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|---------------------------|--------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - State. | \$ 35,955 | \$ 35,192 | \$ 35,192 | \$ - |
| Intergovernmental - Federal | 67,946 | 66,504 | 66,504 | - |
| Total revenues. | <u>103,901</u> | <u>101,696</u> | <u>101,696</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Adult/Continuing: | | | | |
| Salaries and wages | 51,839 | 34,471 | 34,471 | - |
| Fringe benefits | 8,682 | 6,522 | 5,591 | 931 |
| Supplies | - | 6,000 | 6,000 | - |
| Total instruction. | <u>60,521</u> | <u>46,993</u> | <u>46,062</u> | <u>931</u> |
| Support services: | | | | |
| Instructional staff: | | | | |
| Salaries and wages | 47,242 | 40,056 | 38,980 | 1,076 |
| Fringe benefits | 7,884 | 9,210 | 6,430 | 2,780 |
| Purchased services | 3,214 | 1,093 | 1,093 | - |
| Total support services. | <u>58,340</u> | <u>50,359</u> | <u>46,503</u> | <u>3,856</u> |
| Total expenditures | <u>118,861</u> | <u>97,352</u> | <u>92,565</u> | <u>4,787</u> |
| Excess of revenues over (under) expenditures | <u>(14,960)</u> | <u>4,344</u> | <u>9,131</u> | <u>4,787</u> |
| Other financing uses: | | | | |
| Advances (out). | <u>(5,572)</u> | <u>(5,572)</u> | <u>(5,572)</u> | <u>-</u> |
| Total other financing uses. | <u>(5,572)</u> | <u>(5,572)</u> | <u>(5,572)</u> | <u>-</u> |
| Net change in fund balance. | (20,532) | (1,228) | 3,559 | 4,787 |
| Fund balance at beginning of year | <u>1,229</u> | <u>1,229</u> | <u>1,229</u> | <u>-</u> |
| Fund balance (deficit) at end of year. | <u><u>\$ (19,303)</u></u> | <u><u>\$ 1</u></u> | <u><u>\$ 4,788</u></u> | <u><u>\$ 4,787</u></u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA, PART B SPECIAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - Federal | \$ 873,599 | \$ 799,248 | \$ 799,248 | \$ - |
| Total revenues | <u>873,599</u> | <u>799,248</u> | <u>799,248</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special: | | | | |
| Purchased services | 603,455 | 568,737 | 564,586 | 4,151 |
| Supplies | 32 | - | - | - |
| Total instruction | <u>603,487</u> | <u>568,737</u> | <u>564,586</u> | <u>4,151</u> |
| Support services: | | | | |
| Pupil: | | | | |
| Purchased services | 76,120 | 100,687 | 86,028 | 14,659 |
| Instructional staff: | | | | |
| Salaries and wages | 35,538 | 35,403 | 32,391 | 3,012 |
| Fringe benefits | 39,243 | 39,204 | 32,512 | 6,692 |
| Purchased services | 129,120 | 53,735 | 53,735 | - |
| Total instructional staff | <u>203,901</u> | <u>128,342</u> | <u>118,638</u> | <u>9,704</u> |
| Total support services | <u>280,021</u> | <u>229,029</u> | <u>204,666</u> | <u>24,363</u> |
| Operation of non-instructional services: | | | | |
| Other non-instructional services: | | | | |
| Purchased services | 69,615 | 69,666 | 69,666 | - |
| Supplies | 49 | - | - | - |
| Total operation of non-instructional services | <u>69,664</u> | <u>69,666</u> | <u>69,666</u> | <u>-</u> |
| Total expenditures | <u>953,172</u> | <u>867,432</u> | <u>838,918</u> | <u>28,514</u> |
| Excess of revenues over (under) expenditures | <u>(79,573)</u> | <u>(68,184)</u> | <u>(39,670)</u> | <u>28,514</u> |
| Other financing sources (uses): | | | | |
| Advances in | 6,876 | 6,876 | 6,876 | - |
| Advances (out) | <u>(6,876)</u> | <u>(6,876)</u> | <u>(6,876)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (79,573) | (68,184) | (39,670) | 28,514 |
| Fund balance at beginning of year | 15,570 | 15,570 | 15,570 | - |
| Prior year encumbrances appropriated | 52,614 | 52,614 | 52,614 | - |
| Fund balance (deficit) at end of year | <u>\$ (11,389)</u> | <u>\$ -</u> | <u>\$ 28,514</u> | <u>\$ 28,514</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIMITED ENGLISH PROFICIENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - Federal | \$ 6,720 | \$ 6,720 | \$ 6,720 | \$ - |
| Total revenues | <u>6,720</u> | <u>6,720</u> | <u>6,720</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff: | | | | |
| Salaries and wages | 6,720 | 6,720 | 6,720 | - |
| Total expenditures | <u>6,720</u> | <u>6,720</u> | <u>6,720</u> | <u>-</u> |
| Net change in fund balance | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENERGY AUDIT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Fund balance at beginning of year | \$ 786 | \$ 786 | \$ 786 | \$ - |
| Fund balance at end of year. | <u>\$ 786</u> | <u>\$ 786</u> | <u>\$ 786</u> | <u>\$ -</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE V FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - Federal | \$ 6,396 | \$ 6,396 | \$ 6,396 | \$ - |
| Total revenues | <u>6,396</u> | <u>6,396</u> | <u>6,396</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff: | | | | |
| Salaries and wages | 4,641 | 4,740 | 4,740 | - |
| Fringe benefits | 825 | 726 | 726 | - |
| Total support services | <u>5,466</u> | <u>5,466</u> | <u>5,466</u> | <u>-</u> |
| Operation of non-instructional services: | | | | |
| Other non-instructional services: | | | | |
| Supplies | 2,150 | 2,150 | 2,084 | 66 |
| Total expenditures | <u>7,616</u> | <u>7,616</u> | <u>7,550</u> | <u>66</u> |
| Net change in fund balance | (1,220) | (1,220) | (1,154) | 66 |
| Fund balance at beginning of year | 30 | 30 | 30 | - |
| Prior year encumbrances appropriated . . | 1,190 | 1,190 | 1,190 | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 66</u> | <u>\$ 66</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - Federal | \$ 7,771 | \$ 7,771 | \$ 7,771 | \$ - |
| Total revenues | <u>7,771</u> | <u>7,771</u> | <u>7,771</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Pupils: | | | | |
| Salaries and wages | 7,301 | 7,301 | 7,301 | - |
| Operation of non-instructional services: | | | | |
| Other non-instructional services: | | | | |
| Supplies | <u>470</u> | <u>470</u> | <u>470</u> | <u>-</u> |
| Total expenditures | <u>7,771</u> | <u>7,771</u> | <u>7,771</u> | <u>-</u> |
| Net change in fund balance | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - |
| Prior year encumbrances appropriated . . | - | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EARLY CHILDHOOD EDUCATION DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - Federal | \$ 22,457 | \$ 21,482 | \$ 21,482 | \$ - |
| Total revenues | <u>22,457</u> | <u>21,482</u> | <u>21,482</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special: | | | | |
| Supplies | 3,350 | 1,819 | 1,819 | - |
| Support services: | | | | |
| Pupil: | | | | |
| Salaries and wages | 16,517 | 13,934 | 13,934 | - |
| Fringe benefits | 7,159 | 5,875 | 5,673 | 202 |
| Capital outlay | 2,146 | 1,662 | 1,662 | - |
| Total pupil | <u>25,822</u> | <u>21,471</u> | <u>21,269</u> | <u>202</u> |
| Instructional staff: | | | | |
| Purchased services | 275 | 500 | 500 | - |
| Total expenditures | <u>29,447</u> | <u>23,790</u> | <u>23,588</u> | <u>202</u> |
| Net change in fund balance | (6,990) | (2,308) | (2,106) | 202 |
| Fund balance at beginning of year | 162 | 162 | 162 | - |
| Prior year encumbrances appropriated | 2,146 | 2,146 | 2,146 | - |
| Fund balance (deficit) at end of year | <u>\$ (4,682)</u> | <u>\$ -</u> | <u>\$ 202</u> | <u>\$ 202</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
E-RATE GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Fund balance at beginning of year | \$ 2,089 | \$ 2,089 | \$ 2,089 | \$ - |
| Fund balance at end of year. | <u>\$ 2,089</u> | <u>\$ 2,089</u> | <u>\$ 2,089</u> | <u>\$ -</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|--------------------------|--------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental - Federal | \$ 74,860 | \$ 75,582 | \$ 75,582 | \$ - |
| Total revenues | <u>74,860</u> | <u>75,582</u> | <u>75,582</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and wages | 34,734 | 34,883 | 34,883 | - |
| Fringe benefits | 9,299 | 9,325 | 9,325 | - |
| Total instruction | <u>44,033</u> | <u>44,208</u> | <u>44,208</u> | <u>-</u> |
| Support services: | | | | |
| Instructional staff: | | | | |
| Salaries and wages | 19,253 | 12,285 | 12,285 | - |
| Fringe benefits | 3,749 | 3,383 | 1,904 | 1,479 |
| Purchased services | 11,439 | 13,379 | 12,381 | 998 |
| Supplies | 4,765 | 2,544 | 2,359 | 185 |
| Total support services | <u>39,206</u> | <u>31,591</u> | <u>28,929</u> | <u>2,662</u> |
| Operation of non-instructional services: | | | | |
| Other non-instructional services: | | | | |
| Purchased services | 1,184 | 1,184 | 1,184 | - |
| Total operation of non-instructional services | <u>1,184</u> | <u>1,184</u> | <u>1,184</u> | <u>-</u> |
| Total expenditures | <u>84,423</u> | <u>76,983</u> | <u>74,321</u> | <u>2,662</u> |
| Excess of revenues over (under) expenditures | <u>(9,563)</u> | <u>(1,401)</u> | <u>1,261</u> | <u>2,662</u> |
| Other financing uses: | | | | |
| Advances (out) | (7,500) | (7,500) | (7,500) | - |
| Total other financing uses | <u>(7,500)</u> | <u>(7,500)</u> | <u>(7,500)</u> | <u>-</u> |
| Net change in fund balance | (17,063) | (8,901) | (6,239) | 2,662 |
| Fund balance at beginning of year | 1,316 | 1,316 | 1,316 | - |
| Prior year encumbrances appropriated | 7,585 | 7,585 | 7,585 | - |
| Fund balance (deficit) at end of year | <u><u>\$ (8,162)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,662</u></u> | <u><u>\$ 2,662</u></u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2007

| | Permanent Improvement | Building | Total Nonmajor Capital Projects Funds |
|---|----------------------------------|-----------------|--|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ 30,163 | \$ 28,512 | \$ 58,675 |
| Total assets. | \$ 30,163 | \$ 28,512 | \$ 58,675 |
| Liabilities: | | | |
| Accounts payable. | \$ 14,109 | \$ 16,549 | \$ 30,658 |
| Total liabilities. | 14,109 | 16,549 | 30,658 |
| Fund Balances: | | | |
| Reserved for encumbrances | 3,480 | 1,000 | 4,480 |
| Unreserved, undesignated, reported in: | | | |
| Capital projects | 12,574 | 10,963 | 23,537 |
| Total fund balances | 16,054 | 11,963 | 28,017 |
| Total liabilities and fund balances | \$ 30,163 | \$ 28,512 | \$ 58,675 |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---|----------------------------------|-------------------------|--|
| Revenues: | | | |
| From local sources: | | | |
| Earnings on investments | \$ 3,324 | \$ 3,140 | \$ 6,464 |
| Total revenue | <u>3,324</u> | <u>3,140</u> | <u>6,464</u> |
| Expenditures: | | | |
| Current: | | | |
| Facilities acquisition and construction | <u>26,476</u> | <u>109,673</u> | <u>136,149</u> |
| Total expenditures | <u>26,476</u> | <u>109,673</u> | <u>136,149</u> |
| Net change in fund balances | (23,152) | (106,533) | (129,685) |
| Fund balances at beginning of year | <u>39,206</u> | <u>118,496</u> | <u>157,702</u> |
| Fund balances at end of year | <u><u>\$ 16,054</u></u> | <u><u>\$ 11,963</u></u> | <u><u>\$ 28,017</u></u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 150,000 | \$ 3,196 | \$ 3,324 | \$ 128 |
| Total revenues | <u>150,000</u> | <u>3,196</u> | <u>3,324</u> | <u>128</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Sports oriented activities: | | | | |
| Capital outlay | 20,200 | 10,179 | - | 10,179 |
| Site improvement services: | | | | |
| Purchased services | 34,669 | 43,871 | 43,871 | - |
| Capital outlay | - | 819 | 819 | - |
| Total capital outlay | <u>34,669</u> | <u>44,690</u> | <u>44,690</u> | <u>-</u> |
| Total expenditures | <u>54,869</u> | <u>54,869</u> | <u>44,690</u> | <u>10,179</u> |
| Net change in fund balance | 95,131 | (51,673) | (41,366) | 10,307 |
| Fund balance at beginning of year | 43,430 | 43,430 | 43,430 | - |
| Prior year encumbrances appropriated . . | 11,500 | 11,500 | 11,500 | - |
| Fund balance at end of year | <u>\$ 150,061</u> | <u>\$ 3,257</u> | <u>\$ 13,564</u> | <u>\$ 10,307</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ 2,500 | \$ 3,485 | \$ 985 |
| Total revenues. | <u>-</u> | <u>2,500</u> | <u>3,485</u> | <u>985</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Site acquisition services: | | | | |
| Purchased services | 7,000 | 19,244 | 19,207 | 37 |
| Capital outlay | 38,200 | 37,642 | 37,642 | - |
| Total site acquisition services | <u>45,200</u> | <u>56,886</u> | <u>56,849</u> | <u>37</u> |
| Site improvement services: | | | | |
| Purchased services | 25,000 | 22,900 | 22,900 | - |
| Total site improvement services | <u>25,000</u> | <u>22,900</u> | <u>22,900</u> | <u>-</u> |
| Building acquisition and construction services: | | | | |
| Purchased services | 9,349 | 9,349 | 9,339 | 10 |
| Supplies | 3,029 | 3,029 | 982 | 2,047 |
| Capital outlay | 26,991 | 26,990 | 20,800 | 6,190 |
| Total building acquisition and construction services. | <u>39,369</u> | <u>39,368</u> | <u>31,121</u> | <u>8,247</u> |
| Total capital outlay | <u>109,569</u> | <u>119,154</u> | <u>110,870</u> | <u>8,284</u> |
| Total expenditures | <u>109,569</u> | <u>119,154</u> | <u>110,870</u> | <u>8,284</u> |
| Net change in fund balance | (109,569) | (116,654) | (107,385) | 9,269 |
| Fund balance at beginning of year | 106,270 | 106,270 | 106,270 | - |
| Prior year encumbrances appropriated | 12,078 | 12,078 | 12,078 | - |
| Fund balance at end of year. | <u>\$ 8,779</u> | <u>\$ 1,694</u> | <u>\$ 10,963</u> | <u>\$ 9,269</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
PROPRIETARY FUND DESCRIPTION**

Nonmajor Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

Self Insurance Fund

A fund used to account for a self-insurance program which provides medical, dental and vision benefits to employees.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Operating revenues: | | | | |
| Charges for services | \$ 5,800,000 | \$ 2,991,104 | \$ 2,991,105 | \$ 1 |
| Total operating revenues | <u>5,800,000</u> | <u>2,991,104</u> | <u>2,991,105</u> | <u>1</u> |
| Operating expenses: | | | | |
| Purchased services. | 529,824 | 406,053 | 266,747 | 139,306 |
| Claims expenses | <u>5,358,416</u> | <u>4,106,647</u> | <u>2,697,765</u> | <u>1,408,882</u> |
| Total operating expenses | <u>5,888,240</u> | <u>4,512,700</u> | <u>2,964,512</u> | <u>1,548,188</u> |
| Net change in fund equity | (88,240) | (1,521,596) | 26,593 | 1,548,189 |
| Fund equity at beginning of year | 1,521,150 | 1,521,150 | 1,521,150 | - |
| Prior year encumbrances appropriated | 446 | 446 | 446 | - |
| Fund equity at end of year. | <u>\$ 1,433,356</u> | <u>\$ -</u> | <u>\$ 1,548,189</u> | <u>\$ 1,548,189</u> |

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private purpose trust and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results

Private-Purpose Trust Funds

Scholarship Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

Student Activities

This fund reflects resources that belong to the student bodies of various schools, accounting for sale and other revenue generating activities.

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2007

| | <u>Scholarship Fund</u> |
|---|-----------------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ 30,752 |
| Total assets | <u>30,752</u> |
| Net Assets: | |
| Held in trust for scholarships | <u>30,752</u> |
| Total net assets | <u><u>\$ 30,752</u></u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Scholarship Fund</u> |
|--|-----------------------------|
| Additions: | |
| Interest | \$ 1,557 |
| Change in net assets | 1,557 |
| Net assets at beginning of year | <u>29,195</u> |
| Net assets at end of year. | <u><u>\$ 30,752</u></u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ - | \$ 1,557 | \$ 1,557 |
| Total revenues. | <u>-</u> | <u>-</u> | <u>1,557</u> | <u>1,557</u> |
| Net change in fund equity | - | - | 1,557 | 1,557 |
| Fund equity at beginning of year | 29,195 | 29,195 | 29,195 | - |
| Fund equity at end of year. | <u>\$ 29,195</u> | <u>\$ 29,195</u> | <u>\$ 30,752</u> | <u>\$ 1,557</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Beginning Balance July 1, 2006</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance June 30, 2007</u> |
|---|---|-------------------|-------------------|---|
| Student Activities | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 212,190 | \$ 402,457 | \$ 364,761 | \$ 249,886 |
| Total assets | <u>\$ 212,190</u> | <u>\$ 402,457</u> | <u>\$ 364,761</u> | <u>\$ 249,886</u> |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 9,000 | \$ - | \$ 9,000 |
| Due to students | 212,190 | 393,457 | 364,761 | 240,886 |
| Total liabilities. | <u>\$ 212,190</u> | <u>\$ 402,457</u> | <u>\$ 364,761</u> | <u>\$ 249,886</u> |

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATISTICAL SECTION

This part of the Westlake City School 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.

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | 120-131 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 132-139 |
| Debt Capacity 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. | 140-143 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 144-145 |
| Operating Information 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. | 146-155 |

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004 (1)</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | \$ 23,919,272 | \$ 22,301,426 | \$ 23,730,387 | \$ 23,293,698 |
| Restricted | 4,144,612 | 4,860,941 | 2,623,364 | 2,109,310 |
| Unrestricted (Deficit) | 1,103,109 | (2,954,828) | (4,286,694) | (1,968,260) |
| Total governmental activities net assets | <u>\$ 29,166,993</u> | <u>\$ 24,207,539</u> | <u>\$ 22,067,057</u> | <u>\$ 23,434,748</u> |

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

| <u>2003</u> | <u>2002</u> | <u>2001</u> |
|---------------|---------------|---------------|
| \$ 18,625,939 | \$ 16,650,496 | \$ 15,345,133 |
| 3,722,056 | 4,858,187 | 4,298,219 |
| (456,470) | 410,444 | (5,039,463) |
| \$ 21,891,525 | \$ 21,919,127 | \$ 14,603,889 |
| | | |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004 (1)</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 20,374,661 | \$ 20,190,940 | \$ 20,578,822 | \$ 20,669,591 |
| Special | 3,717,072 | 3,555,142 | 3,801,153 | 3,597,814 |
| Vocational | 397,990 | 477,265 | 475,462 | 469,663 |
| Adult/Continuing | 34,064 | 56,634 | 45,809 | 70,955 |
| Other instructional | 1,290,541 | 1,214,300 | - | - |
| Support services: | | | | |
| Pupil | 3,048,974 | 2,963,597 | 2,625,987 | 2,481,334 |
| Instructional staff | 2,870,362 | 2,671,046 | 2,790,065 | 2,897,289 |
| Board of education | 45,462 | 27,125 | 29,261 | 2,066 |
| Administration | 2,919,666 | 2,829,414 | 2,890,037 | 2,884,080 |
| Fiscal | 1,067,467 | 1,084,520 | 1,071,904 | 1,003,922 |
| Business | 454,909 | 394,801 | 439,462 | 245,822 |
| Operations and maintenance | 4,317,707 | 4,126,995 | 3,745,704 | 3,682,109 |
| Pupil transportation | 3,758,572 | 3,307,927 | 3,752,277 | 3,408,168 |
| Central | 108,327 | 142,244 | 187,161 | 147,463 |
| Operation of non-instructional services | | | | |
| Food service operations | 1,072,986 | 927,577 | 961,507 | 935,514 |
| Other non-instructional services | 345,727 | 273,130 | 978,734 | 758,102 |
| Extracurricular activities | 1,423,143 | 1,352,070 | 1,359,205 | 1,386,634 |
| Intergovernmental pass-through | 525,104 | 423,059 | - | - |
| Interest and fiscal charges | 1,127,099 | 1,304,616 | 1,436,038 | 1,561,790 |
| Total governmental activities expenses | <u>\$ 48,899,833</u> | <u>\$ 47,322,402</u> | <u>\$ 47,168,588</u> | <u>\$ 46,202,316</u> |

| | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|----|-------------------|----------------------|----------------------|
| \$ | 18,915,663 | \$ 18,561,778 | \$ 17,899,511 |
| | 3,405,179 | 3,320,191 | 3,096,309 |
| | 392,114 | 308,959 | 985,007 |
| | 58,192 | 39,473 | 28,445 |
| | - | - | - |
| | 2,184,689 | 2,187,073 | 2,052,453 |
| | 1,977,693 | 1,987,734 | 1,830,028 |
| | 79,923 | 27,743 | 15,090 |
| | 2,674,304 | 2,505,538 | 2,352,216 |
| | 936,066 | 1,072,157 | 785,636 |
| | 358,033 | 402,168 | 336,837 |
| | 3,358,389 | 3,185,520 | 3,496,070 |
| | 3,456,556 | 2,766,196 | 3,046,466 |
| | 134,189 | 145,174 | 91,221 |
| | 816,766 | 786,465 | 827,579 |
| | 802,918 | 711,847 | 758,908 |
| | 1,192,747 | 1,382,233 | 1,134,802 |
| | - | - | - |
| | 1,773,682 | 1,687,411 | 1,778,329 |
| \$ | <u>42,517,103</u> | <u>\$ 41,077,660</u> | <u>\$ 40,514,907</u> |

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS - (Continued)
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| Program Revenues | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004 (1)</u> |
|--|------------------------|------------------------|------------------------|------------------------|
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction: | | | | |
| Regular | \$ 118,726 | \$ 109,724 | \$ 118,064 | \$ 149,346 |
| Special | - | - | 9,560 | - |
| Vocational | - | - | 1,373 | - |
| Support services: | | | | |
| Pupil | - | - | 7,373 | - |
| Instructional staff | - | - | 7,159 | - |
| Board of education | - | - | 869 | - |
| Administration | 87,421 | 128,000 | 93,025 | - |
| Fiscal | - | - | 3,158 | - |
| Business | - | - | 1,294 | - |
| Operations and maintenance | 89,231 | 83,044 | 10,940 | 54,545 |
| Pupil transportation | 121,090 | 22,242 | 10,071 | 33,151 |
| Central | - | - | 373 | - |
| Operation of non-instructional services: | | | | |
| Food service operations | 866,401 | 867,448 | 836,920 | 755,888 |
| Other non-instructional services | 266,439 | 212,786 | 225,021 | 314,571 |
| Extracurricular activities | 531,518 | 533,335 | 503,064 | 535,955 |
| Operating grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | 173,634 | 46,455 | 41,326 | 79,428 |
| Special | 584,854 | 417,238 | 553,493 | 750,363 |
| Adult/Continuing | 37,651 | 65,289 | 44,631 | 79,168 |
| Support services: | | | | |
| Pupil | 135,839 | 183,967 | 57,663 | 28,562 |
| Instructional staff | 260,434 | 258,771 | 223,372 | 81,765 |
| Board of education | - | - | - | - |
| Administration | - | - | - | - |
| Operations and maintenance | - | - | 3,770 | - |
| Central | 34,824 | 34,759 | 33,685 | 35,176 |
| Operation of non-instructional services | | | | |
| Food service operations | 163,190 | 139,300 | 101,685 | 106,374 |
| Other non-instructional services | 76,523 | 130,944 | 622,368 | 494,652 |
| Extracurricular activities | 108,061 | 107,659 | 72,493 | 84,547 |
| Intergovernmental pass-through | 464,142 | 499,749 | - | - |
| Capital grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | - | - | 36,225 | - |
| Support services: | | | | |
| Operations and maintenance | - | - | - | - |
| Pupil transportation | - | - | - | 19,066 |
| Total governmental program revenues | <u>\$ 4,119,978</u> | <u>\$ 3,840,710</u> | <u>\$ 3,618,975</u> | <u>\$ 3,602,557</u> |
| Net (Expense)/Revenue | | | | |
| Governmental activities | <u>\$ (44,779,855)</u> | <u>\$ (43,481,692)</u> | <u>\$ (43,549,613)</u> | <u>\$ (42,599,759)</u> |

| <u>2003</u> | <u>2002</u> | <u>2001</u> |
|------------------------|------------------------|------------------------|
| \$ 157,176 | \$ 147,691 | \$ 93,043 |
| - | - | 107,654 |
| - | - | - |
| - | - | - |
| - | - | - |
| 674 | - | - |
| 87,604 | 112,284 | 107,515 |
| - | - | 15,682 |
| - | 21,412 | 4,512 |
| 51,146 | 55,842 | 78,846 |
| - | - | 8,699 |
| - | - | - |
| 717,887 | 676,691 | 698,438 |
| 238,959 | 200,098 | 207,749 |
| 506,141 | 439,863 | 475,252 |
| 152,704 | 56,101 | 164,714 |
| 498,630 | 339,973 | 302,800 |
| 46,813 | 44,127 | - |
| 87,629 | 86,052 | 77,659 |
| 81,482 | 83,780 | 63,614 |
| - | 42 | 1,325 |
| 4,172 | 3,143 | 1,180 |
| 3,338 | 3,666 | 3,899 |
| 38,521 | 38,137 | 35,593 |
| - | 58,071 | 62,612 |
| 556,992 | 497,765 | 456,076 |
| 32,156 | 65,425 | 44,342 |
| - | - | - |
| - | - | - |
| - | 1,100 | 193,211 |
| - | 46,157 | 49,910 |
| <u>\$ 3,262,024</u> | <u>\$ 2,977,420</u> | <u>\$ 3,254,325</u> |
| <u>\$ (39,255,079)</u> | <u>\$ (38,100,240)</u> | <u>\$ (37,260,582)</u> |

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS - (Continued)
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004 (1)</u> |
|---|----------------------|----------------------|-----------------------|----------------------|
| General Revenues and Other Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Property taxes levied for: | | | | |
| General purposes | \$ 37,720,302 | \$ 33,550,807 | \$ 30,545,074 | \$ 32,333,981 |
| Debt service | 2,981,953 | 3,894,057 | 3,591,433 | 4,119,328 |
| Grants and entitlements not restricted | | | | |
| to specific programs | 7,945,412 | 7,357,649 | 7,522,123 | 7,315,688 |
| Investment earnings | 977,551 | 730,754 | 397,000 | 282,326 |
| Gain on sale of capital assets | 1,632 | - | - | - |
| Miscellaneous | 112,459 | 88,907 | 126,292 | 91,659 |
| Total governmental activities | <u>\$ 49,739,309</u> | <u>\$ 45,622,174</u> | <u>\$ 42,181,922</u> | <u>\$ 44,142,982</u> |
| Change in Net Assets | | | | |
| Governmental activities | <u>\$ 4,959,454</u> | <u>\$ 2,140,482</u> | <u>\$ (1,367,691)</u> | <u>\$ 1,543,223</u> |

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

| <u>2003</u> | <u>2002</u> | <u>2001</u> |
|----------------------|----------------------|----------------------|
| \$ 28,045,815 | \$ 34,584,031 | \$ 28,719,927 |
| 3,292,240 | 3,542,274 | 3,412,025 |
| 7,356,828 | 6,865,844 | 6,222,333 |
| 407,405 | 370,873 | 773,708 |
| - | - | - |
| 125,189 | 52,456 | 1,124 |
| <u>\$ 39,227,477</u> | <u>\$ 45,415,478</u> | <u>\$ 39,129,117</u> |
| | | |
| <u>\$ (27,602)</u> | <u>\$ 7,315,238</u> | <u>\$ 1,868,535</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | <u>2007</u> | <u>2006 (1)</u> | <u>2005</u> | <u>2004</u> |
|------------------------------------|----------------------|---------------------|---------------------|----------------------|
| General Fund: | | | | |
| Reserved | \$ 6,406,103 | \$ 4,585,206 | \$ 5,422,395 | \$ 6,305,643 |
| Unreserved | 204,662 | (1,189,649) | (1,956,239) | 897,476 |
| Total general fund | <u>\$ 6,610,765</u> | <u>\$ 3,395,557</u> | <u>\$ 3,466,156</u> | <u>\$ 7,203,119</u> |
| All Other Governmental Funds: | | | | |
| Reserved | \$ 3,472,172 | \$ 4,019,137 | \$ 863,335 | \$ 5,455,916 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 588,056 | 604,950 | 301,564 | 567,848 |
| Capital projects funds | 23,537 | 142,183 | 182,055 | 506,831 |
| Debt service funds | - | - | 2,954,018 | 2,960,566 |
| Total all other governmental funds | <u>\$ 4,083,765</u> | <u>\$ 4,766,270</u> | <u>\$ 4,300,972</u> | <u>\$ 9,491,161</u> |
| Total governmental funds | <u>\$ 10,694,530</u> | <u>\$ 8,161,827</u> | <u>\$ 7,767,128</u> | <u>\$ 16,694,280</u> |

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

| <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000 (1)</u> | <u>1999</u> | <u>1998</u> |
|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| \$ 4,769,165 | \$ 7,342,773 | \$ 3,399,535 | \$ 3,255,771 | \$ 4,347,857 | \$ 2,127,119 |
| 1,704,821 | 678,909 | (274,428) | (1,321,276) | (587,742) | (83,403) |
| <u>\$ 6,473,986</u> | <u>\$ 8,021,682</u> | <u>\$ 3,125,107</u> | <u>\$ 1,934,495</u> | <u>\$ 3,760,115</u> | <u>\$ 2,043,716</u> |
| \$ 1,219,840 | \$ 1,069,603 | \$ 625,977 | \$ 1,471,207 | \$ 1,632,350 | \$ 6,544,888 |
| 581,585 | 594,940 | 626,819 | 541,856 | 401,929 | 374,552 |
| 8,286,260 | 1,174,376 | 1,142,998 | 1,410,601 | 1,992,995 | 5,413,589 |
| 2,395,910 | 1,951,208 | 1,781,567 | 1,541,847 | 1,299,655 | 1,099,743 |
| <u>\$ 12,483,595</u> | <u>\$ 4,790,127</u> | <u>\$ 4,177,361</u> | <u>\$ 4,965,511</u> | <u>\$ 5,326,929</u> | <u>\$ 13,432,772</u> |
| <u>\$ 18,957,581</u> | <u>\$ 12,811,809</u> | <u>\$ 7,302,468</u> | <u>\$ 6,900,006</u> | <u>\$ 9,087,044</u> | <u>\$ 15,476,488</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | <u>2007</u> | <u>2006 (1)</u> | <u>2005</u> | <u>2004</u> |
|---|---------------------|-------------------|-----------------------|-----------------------|
| Revenues | | | | |
| From local sources: | | | | |
| Taxes | \$ 41,112,568 | \$ 37,291,262 | \$ 33,898,407 | \$ 36,863,886 |
| Tuition | 431,003 | 411,740 | 603,441 | 726,473 |
| Transportation fees | 23,897 | 22,242 | - | - |
| Charges for services | 866,401 | 867,448 | 873,361 | 773,199 |
| Earnings on investments | 984,115 | 664,008 | 397,000 | 284,238 |
| Extracurricular | 330,093 | 297,213 | 319,623 | 289,239 |
| Classroom materials and fees | 243,008 | 274,892 | - | - |
| Contributions and donations | 227,348 | 108,268 | 72,893 | 84,224 |
| Rentals | 89,231 | 83,044 | 31,839 | 54,545 |
| Other local revenues | 112,459 | 88,907 | 126,292 | 91,659 |
| Intergovernmental | 9,745,061 | 9,236,576 | 9,120,922 | 9,041,153 |
| Total revenues | <u>54,165,184</u> | <u>49,345,600</u> | <u>45,443,778</u> | <u>48,208,616</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 20,277,095 | 19,199,554 | 20,122,682 | 19,966,271 |
| Special | 3,695,144 | 3,598,717 | 3,673,697 | 3,450,581 |
| Vocational | 389,208 | 464,226 | 463,537 | 456,127 |
| Adult/Continuing | 34,064 | 63,625 | 45,101 | 64,786 |
| Other | 1,293,840 | 1,188,732 | - | - |
| Current: | | | | |
| Pupil | 2,978,081 | 2,852,742 | 2,528,374 | 2,364,661 |
| Instructional staff | 2,831,709 | 2,677,746 | 2,798,253 | 2,572,913 |
| Board of education | 45,462 | 27,125 | 29,985 | 1,342 |
| Administration | 2,880,859 | 2,868,430 | 2,893,638 | 2,693,589 |
| Fiscal | 1,074,777 | 1,107,229 | 1,090,299 | 984,521 |
| Business | 391,821 | 424,687 | 465,880 | 280,150 |
| Operations and maintenance | 4,067,776 | 3,837,147 | 3,981,154 | 3,485,862 |
| Pupil transportation | 3,855,696 | 3,246,356 | 3,557,715 | 3,147,406 |
| Central | 104,855 | 140,866 | 189,052 | 161,673 |
| Operation of non-instructional services: | | | | |
| Food service operations | 1,057,083 | 925,578 | 992,600 | 873,448 |
| Other non-instructional services | 346,871 | 319,123 | 1,044,258 | 666,651 |
| Extracurricular activities | 1,390,364 | 1,370,828 | 1,344,416 | 1,363,726 |
| Intergovernmental pass-through | 525,403 | 416,437 | - | - |
| Facilities acquisitions and construction | 380,169 | 305,272 | - | - |
| Capital outlay | - | - | 4,939,263 | 4,079,092 |
| Debt service: | | | | |
| Principal retirement | 3,023,696 | 2,722,834 | 2,896,791 | 2,313,518 |
| Interest and fiscal charges | 994,317 | 1,193,647 | 1,331,337 | 1,559,585 |
| Bond issuance costs | 66,290 | - | - | 165,194 |
| Total expenditures | <u>51,704,580</u> | <u>48,950,901</u> | <u>54,388,032</u> | <u>50,651,096</u> |
| Excess of revenues over (under) expenditures | 2,460,604 | 394,699 | (8,944,254) | (2,442,480) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 9,570 | 10,000 | 135,000 | 185,000 |
| Transfers (out) | (9,570) | (10,000) | (135,000) | (185,000) |
| Payment to refunded bond escrow agent | (3,996,593) | - | - | (15,886,812) |
| Sale of assets | 4,600 | - | - | 200 |
| Inception of Lease | - | - | 17,102 | - |
| Bonds issued | 3,785,000 | - | - | 13,925,000 |
| Premium on bonds | 279,092 | - | - | 2,140,791 |
| Total other financing sources (uses) | <u>72,099</u> | <u>-</u> | <u>17,102</u> | <u>179,179</u> |
| Net change in fund balances | <u>\$ 2,532,703</u> | <u>\$ 394,699</u> | <u>\$ (8,927,152)</u> | <u>\$ (2,263,301)</u> |
| Capital expenditures (included in expenditures above) | 1,000,439 | 285,117 | 5,775,497 | 4,778,466 |
| Debt service as a percentage of noncapital expenditures | 8.055% | 8.048% | 8.698% | 8.803% |

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect changes in accounting principle and/or prior period adjustments.

| | 2003 | 2002 | 2001 | 2000 (1) | 1999 | 1998 |
|----|-------------------|---------------------|-------------------|-----------------------|-----------------------|------------------------|
| \$ | 30,876,368 | \$ 37,510,455 | \$ 31,726,503 | \$ 26,644,336 | \$ 28,845,535 | \$ 26,967,789 |
| | 715,411 | 628,830 | 808,238 | 328,287 | 273,435 | 290,702 |
| | - | - | - | - | - | - |
| | 734,988 | 715,278 | 743,805 | 20,198 | 28,019 | 25,896 |
| | 407,405 | 371,759 | 784,102 | 689,686 | 810,284 | 1,840,532 |
| | 258,838 | 253,931 | 142,395 | 240,896 | 259,022 | 219,330 |
| | - | - | - | - | - | - |
| | 32,156 | 66,691 | 31,639 | 296,116 | 30,678 | 42,913 |
| | 50,350 | 55,842 | 65,484 | 87,456 | 76,975 | 104,055 |
| | 125,189 | 52,030 | 49,335 | 119,658 | 73,652 | 243,689 |
| | 8,776,049 | 8,120,366 | 7,646,141 | 7,003,162 | 6,382,395 | 5,870,793 |
| | <u>41,976,754</u> | <u>47,775,182</u> | <u>41,997,642</u> | <u>35,429,795</u> | <u>36,779,995</u> | <u>35,605,699</u> |
| | 18,063,764 | 18,265,000 | 16,569,409 | 14,982,202 | 14,653,359 | 14,270,283 |
| | 3,372,679 | 3,219,762 | 2,988,533 | 3,094,837 | 2,896,480 | 2,341,403 |
| | 382,559 | 293,653 | 986,123 | 675,150 | 666,356 | 596,283 |
| | 58,078 | 39,473 | 28,445 | 34,635 | 24,722 | 22,481 |
| | - | - | - | - | - | - |
| | 2,071,929 | 2,067,422 | 1,956,645 | 1,781,213 | 1,683,317 | 1,472,696 |
| | 1,998,084 | 1,946,930 | 1,725,845 | 1,497,594 | 1,368,801 | 1,474,157 |
| | 32,633 | 27,743 | 15,090 | 14,909 | 17,398 | 19,872 |
| | 2,563,907 | 2,267,068 | 2,261,432 | 2,400,178 | 2,064,575 | 1,969,681 |
| | 914,567 | 1,059,205 | 784,050 | 613,969 | 105,242 | 700,679 |
| | 260,981 | 279,895 | 662,980 | 362,224 | 301,283 | 290,009 |
| | 3,230,539 | 3,165,275 | 3,183,416 | 2,810,122 | 2,890,879 | 2,798,599 |
| | 3,307,033 | 2,649,378 | 3,040,499 | 2,682,571 | 2,808,723 | 2,079,761 |
| | 128,603 | 135,190 | 84,832 | 102,784 | 105,006 | 57,543 |
| | 796,763 | 813,300 | 741,087 | - | - | - |
| | 756,871 | 701,145 | 727,858 | 400,655 | 419,219 | 367,160 |
| | 1,170,928 | 1,362,764 | 1,137,003 | 1,135,474 | 1,052,473 | 1,073,022 |
| | - | - | - | - | - | 7,250,000 |
| | - | - | - | - | - | - |
| | 1,788,880 | 518,067 | 1,712,087 | 1,770,882 | 8,969,779 | 14,888,368 |
| | 1,916,738 | 1,760,472 | 1,616,399 | 1,429,906 | 1,249,252 | 1,061,942 |
| | 1,766,888 | 1,694,525 | 1,784,729 | 1,827,728 | 1,892,864 | 2,021,442 |
| | 122,152 | - | - | - | - | - |
| | <u>44,704,576</u> | <u>42,266,267</u> | <u>42,006,462</u> | <u>37,617,033</u> | <u>43,169,728</u> | <u>54,755,381</u> |
| | (2,727,822) | 5,508,915 | (8,820) | (2,187,238) | (6,389,733) | (19,149,682) |
| | 531,199 | 631,997 | 184,511 | 484,600 | 65,000 | 431,000 |
| | (531,199) | (631,997) | (184,511) | (484,600) | (65,000) | (431,000) |
| | - | - | - | - | - | - |
| | 2,074 | 426 | - | 200 | 289 | 1,684 |
| | - | - | 411,282 | - | - | - |
| | 8,700,000 | - | - | - | - | 7,250,000 |
| | 171,520 | - | - | - | - | - |
| | <u>8,873,594</u> | <u>426</u> | <u>411,282</u> | <u>200</u> | <u>289</u> | <u>7,251,684</u> |
| \$ | <u>6,145,772</u> | <u>\$ 5,509,341</u> | <u>\$ 402,462</u> | <u>\$ (2,187,038)</u> | <u>\$ (6,389,444)</u> | <u>\$ (11,897,998)</u> |
| | 2,012,792 | 1,498,357 | 2,156,618 | 2,808,642 | 8,969,779 | 14,888,368 |
| | 8.915% | 8.475% | 8.535% | 9.359% | 9.187% | 7.734% |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

| Collection Year | Real Property | | Tangible Personal Property | | Public Utility | |
|-----------------|------------------|----------------------------|----------------------------|----------------------------|----------------|----------------------------|
| | Assessed Value | Estimated Actual Value (1) | Assessed Value | Estimated Actual Value (1) | Assessed Value | Estimated Actual Value (1) |
| 2007 (2) | \$ 1,366,677,360 | \$ 3,904,792,457 | \$ 57,142,606 | \$ 248,446,113 | \$ 20,385,360 | \$ 23,165,182 |
| 2006 | 1,230,619,170 | 3,516,054,771 | 68,945,138 | 299,761,470 | 20,367,010 | 23,144,330 |
| 2005 | 1,209,509,470 | 3,455,741,343 | 64,928,167 | 282,296,378 | 22,225,550 | 25,256,307 |
| 2004 (3) | 1,181,766,920 | 3,376,476,914 | 67,303,512 | 292,645,704 | 22,652,240 | 25,741,182 |
| 2003 | 1,092,555,030 | 3,121,585,800 | 74,078,302 | 322,079,574 | 22,213,040 | 25,242,091 |
| 2002 | 1,072,485,940 | 3,064,245,543 | 77,021,986 | 308,087,944 | 23,522,370 | 26,729,966 |
| 2001 (2) | 1,028,659,760 | 2,939,027,886 | 74,494,491 | 297,973,008 | 30,491,100 | 34,648,977 |
| 2000 | 893,396,390 | 2,552,561,114 | 69,493,252 | 277,973,008 | 30,889,430 | 35,101,625 |
| 1999 | 852,394,210 | 2,435,412,029 | 63,939,231 | 255,756,924 | 33,579,300 | 38,158,295 |
| 1998 (3) | 829,261,960 | 2,369,318,457 | 64,750,544 | 259,002,176 | 34,326,270 | 39,007,125 |

Source: Cuyahoga County Auditor's Office - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at varying rates of actual value.
 Capital assets for tangible personal property is assessed at twenty-five percent of actual value.
 Inventory for tangible personal property is assessed at twenty-three percent of actual value.
- (2) Reappraisal of property values.
- (3) Triennial update of property values.

| Total | | |
|---------------------------|---------------------------------------|----------|
| Assessed Value | Estimated Actual Value | % |
| \$ 1,444,205,326 | \$ 4,176,403,752 | 34.58% |
| 1,319,931,318 | 3,838,960,571 | 34.38% |
| 1,296,663,187 | 3,763,294,028 | 34.46% |
| 1,271,722,672 | 3,694,863,800 | 34.42% |
| 1,188,846,372 | 3,468,907,465 | 34.27% |
| 1,173,030,296 | 3,399,063,453 | 34.51% |
| 1,133,645,351 | 3,271,649,871 | 34.65% |
| 993,779,072 | 2,865,635,747 | 34.68% |
| 949,912,741 | 2,729,327,248 | 34.80% |
| 928,338,774 | 2,667,327,758 | 34.80% |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

| Tax Year/ Collection Year | Overlapping Rates | | | Direct Rates | | | |
|---------------------------------|-------------------|---------|---------|--------------|---------|---------|----------|
| | County | Library | City | Voted | | Unvoted | Total |
| | | | | General | Bond | | |
| 2006/2007 | \$ 18.20 | \$ 2.50 | \$ 9.90 | \$ 58.60 | \$ 2.10 | \$ 5.80 | \$ 66.50 |
| 2005/2006 | 18.30 | 2.50 | 10.00 | 51.70 | 3.30 | 5.80 | 60.80 |
| 2004/2005 | 18.30 | 2.50 | 10.10 | 51.70 | 3.20 | 5.80 | 60.70 |
| 2003/2004 | 18.00 | 2.50 | 10.10 | 51.70 | 3.50 | 5.80 | 61.00 |
| 2002/2003 | 16.20 | 2.00 | 10.30 | 51.70 | 3.70 | 5.80 | 61.20 |
| 2001/2002 | 16.20 | 2.00 | 10.30 | 53.70 | 3.10 | 5.80 | 62.60 |
| 2000/2001 | 16.20 | 2.00 | 10.30 | 51.70 | 3.20 | 5.80 | 60.70 |
| 1999/2000 | 15.30 | 2.00 | 10.50 | 53.70 | 3.60 | 5.80 | 63.10 |
| 1998/1999 | 15.30 | 2.00 | 10.50 | 51.70 | 3.60 | 5.80 | 61.10 |
| 1997/1998 | 16.60 | 2.00 | 10.20 | 51.70 | 3.50 | 5.80 | 61.00 |

Source: Cuyahoga County Auditor's Office

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2006 AND DECEMBER 31, 1997

| December 31, 2006 | | | |
|------------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total District Real Estate Assessed Value |
| Toledo Lucas County Port Authority | \$ 34,624,750 | 1 | 2.81% |
| Westlake Center Association Ltd. | 11,229,580 | 2 | 0.91% |
| Energizer Battery Manufacturing | 7,417,280 | 3 | 0.60% |
| University Hospitals | 7,215,120 | 4 | 0.59% |
| Remington Inc. | 6,239,700 | 5 | 0.51% |
| Crossings Village LLC | 5,838,600 | 6 | 0.47% |
| Sturbridge Square Apartments | 5,630,070 | 7 | 0.46% |
| Cleveland Retirement Properties | 5,600,040 | 8 | 0.46% |
| WXZ Arbors, LLC | 5,451,880 | 9 | 0.44% |
| OZRE Lodging II LLC | 5,224,140 | 10 | 0.42% |
| Total | \$ 94,471,160 | | \$ 1,230,619,170 |

| December 31, 1997 | | | |
|----------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value |
| Columbia-CSA Healthcare System | \$ 12,915,740 | 1 | 1.56% |
| Westlake Center Association Ltd. | 8,469,930 | 2 | 1.02% |
| King James Park, Limited | 8,020,820 | 3 | 0.97% |
| Eveready Battery Company | 6,571,180 | 4 | 0.79% |
| Fort Austin Limited | 5,536,440 | 5 | 0.67% |
| KOPF-Newton Venture I | 5,096,350 | 6 | 0.61% |
| Metric Institutional | 4,947,850 | 7 | 0.60% |
| John Hancock Apartment Fund | 4,914,000 | 8 | 0.59% |
| PAH-Westlake LLC | 4,830,250 | 9 | 0.58% |
| Crocket-Bassett Hotel Limited | 3,890,670 | 10 | 0.47% |
| Total | \$ 65,193,230 | | 829,261,960 |

Source: Cuyahoga County Auditor's Office

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2006 AND DECEMBER 31, 1997

| December 31, 2006 | | | |
|-----------------------------|---------------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total District Tangible Pers. Property Assessed Value |
| USG INTERIORS INC | \$ 3,544,890 | 1 | 5.14% |
| OHIO BELL TELEPHONE COMPANY | 1,880,910 | 2 | 2.73% |
| BONNE BELL INC | 1,823,890 | 3 | 2.65% |
| ALUMINUM LINE PRODUCTS CO | 1,557,210 | 4 | 2.26% |
| ENERGIZER BATTERY | 1,431,930 | 5 | 2.08% |
| TRUE VALUE COMPANY | 1,356,410 | 6 | 1.97% |
| PATRICK OBRIEN JR. | 1,113,201 | 7 | 1.61% |
| AMERIGAS PROPANE LP | 964,680 | 8 | 1.40% |
| TA OPERATING CORP. | 882,570 | 9 | 1.28% |
| JOHN M LANCE FORD LLC | 821,440 | 10 | 1.19% |
| Total | \$ 15,377,131 | | \$ 68,945,138 |

| December 31, 1997 | | | |
|------------------------------|---------------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Value |
| USG INTERIORS INC | \$ 4,867,140 | 1 | 7.52% |
| ELECTRONIC DATA SYSTEMS CORP | 4,556,840 | 2 | 7.04% |
| EVEREADY BATTERY CO | 3,635,660 | 3 | 5.61% |
| COTTER AND CO | 2,662,827 | 4 | 4.11% |
| ALUMINUM LINE PRODUCTS INC | 2,075,730 | 5 | 3.21% |
| KOYO CORP OF USA | 2,060,330 | 6 | 3.18% |
| RADIOMETER AMERICA INC | 1,830,040 | 7 | 2.83% |
| BONNE BELL INC | 1,800,160 | 8 | 2.78% |
| JOHN M LANCE FORD INC | 1,636,041 | 9 | 2.53% |
| NICK MAYER LINCOLN MERCURY | 1,379,320 | 10 | 2.13% |
| Total | \$ 26,504,088 | | 64,750,544 |

Source: Cuyahoga County Auditor's Office

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
PUBLIC UTILITIES REAL AND TANGIBLE PROPERTY TAX
DECEMBER 31, 2006 AND DECEMBER 31, 1997

| December 31, 2006 | | | |
|------------------------------------|-------------------------------|-------------|---|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total District Public Utility Assessed Value |
| CLEVELAND ELECTRIC ILLUMINATING CO | \$ 12,861,640 | 1 | 63.15% |
| COLUMBIA GAS OF OHIO INC. | 2,002,430 | 2 | 9.83% |
| AMERICAN TRANSMISSION | 1,085,590 | 3 | 5.33% |
| OHIO BELL TELEPHONE CO | 454,410 | 4 | 2.23% |
| COLUMBIA GAS TRANSMISSION CORP | 62,950 | 5 | 0.31% |
| Total | \$ 16,467,020 | | \$ 20,367,010 |

| December 31, 1997 | | | |
|------------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| CLEVELAND ELECTRIC ILLUMINATING CO | \$ 18,980,440 | 1 | 55.29% |
| OHIO BELL TELEPHONE CO | 8,627,660 | 2 | 25.13% |
| COLUMBIA GAS OF OHIO INC. | 6,324,140 | 3 | 18.42% |
| Total | \$ 33,932,240 | | 34,326,270 |

Source: Cuyahoga County Auditor's Office

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

| Tax Year/ Collection Year (2) | Current Levy | Delinquent Levy (3) | Total Levy | Current Collection | Percent of Current Levy Collected |
|--|-------------------------|--------------------------------|-----------------------|-------------------------------|--|
| 2006/2007 | \$ 48,577,064 | \$ 1,823,623 | \$ 50,400,687 | \$ 46,836,166 | 96.42% |
| 2005/2006 | 39,789,285 | 1,756,087 | 41,545,372 | 39,743,798 | 99.89% |
| 2004/2005 | 39,699,267 | 2,214,049 | 41,913,316 | 37,878,790 | 95.41% |
| 2003/2004 | 38,967,423 | 2,620,334 | 41,587,757 | 37,394,113 | 95.96% |
| 2002/2003 | 38,158,204 | 2,854,274 | 41,012,478 | 35,859,530 | 93.98% |
| 2001/2002 | 37,912,913 | 1,892,060 | 39,804,973 | 35,401,042 | 93.37% |
| 2000/2001 | 32,458,538 | 889,270 | 33,347,808 | 31,019,381 | 95.57% |
| 1999/2000 | 31,265,984 | 1,225,249 | 32,491,233 | 29,927,991 | 95.72% |
| 1998/1999 | 30,350,117 | 1,415,407 | 31,765,524 | 29,635,427 | 97.65% |
| 1997/1998 | 29,222,512 | 1,299,228 | 30,521,740 | 28,732,644 | 98.32% |

Source: Cuyahoga County Auditor's Office

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year. 2007 information cannot be presented because all collections have not been made by June 30.

(3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are rough on in one lump sum.

| Delinquent Collection | Total Collection | Total Collection As a Percent of Total Levy |
|----------------------------------|-----------------------------|--|
| \$ 952,159 | \$ 47,788,325 | 94.82% |
| 1,175,113 | 40,918,911 | 98.49% |
| 1,361,128 | 39,239,918 | 93.62% |
| 1,401,979 | 38,796,092 | 93.29% |
| 1,685,033 | 37,544,563 | 91.54% |
| 1,219,689 | 36,620,731 | 92.00% |
| 628,880 | 31,648,261 | 94.90% |
| 709,894 | 30,637,885 | 94.30% |
| 746,844 | 30,382,271 | 95.65% |
| 534,241 | 29,266,885 | 95.89% |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| Fiscal Year | Governmental Activities | | (a) Total Primary Government | (b) Per Capita | (b) Per ADM |
|------------------------|---|---------------------------|---|-------------------------------|----------------------------|
| | General Obligation Bonds | Capital Leases | | | |
| 2007 | \$ 25,860,870 | \$ 20,825 | \$ 25,881,695 | 816 | 5,931 |
| 2006 | 28,535,000 | 29,521 | 28,564,521 | 901 | 6,950 |
| 2005 | 31,250,000 | 37,355 | 31,287,355 | 986 | 7,834 |
| 2004 | 34,140,000 | 95,867 | 34,235,867 | 1,079 | 8,740 |
| 2003 | 36,365,000 | 184,385 | 36,549,385 | 1,152 | 9,420 |
| 2002 | 29,500,000 | 266,123 | 29,766,123 | 938 | 7,952 |
| 2001 | 31,185,000 | 341,595 | 31,526,595 | 994 | 8,398 |
| 2000 | 32,730,000 | 12,001 | 32,742,001 | 1,212 | 8,729 |
| 1999 | 34,150,000 | 21,907 | 34,171,907 | 1,265 | 9,311 |
| 1998 | 35,390,000 | 31,159 | 35,421,159 | 1,311 | 9,723 |

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

| Fiscal Year | General Bonded Debt Outstanding | | Percentage of Actual Taxable Value of Property | Per Capita |
|------------------------|---|---------------|---|-----------------------|
| | General Obligation Bonds | Total | | |
| 2007 | \$ 25,860,870 | \$ 25,860,870 | 0.62% | \$ 815 |
| 2006 | 28,535,000 | 28,535,000 | 0.74% | 900 |
| 2005 | 31,250,000 | 31,250,000 | 0.83% | 985 |
| 2004 | 34,140,000 | 34,140,000 | 0.92% | 1,076 |
| 2003 | 36,365,000 | 36,365,000 | 1.05% | 1,146 |
| 2002 | 29,500,000 | 29,500,000 | 0.87% | 930 |
| 2001 | 31,185,000 | 31,185,000 | 0.95% | 983 |
| 2000 | 32,730,000 | 32,730,000 | 1.14% | 1,211 |
| 1999 | 34,150,000 | 34,150,000 | 1.25% | 1,264 |
| 1998 | 35,390,000 | 35,390,000 | 1.33% | 1,310 |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2007**

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable (1)</u> | <u>Estimated Share of Overlapping Debt</u> |
|---------------------------------------|-----------------------------|--|--|
| Westlake City School District | \$ 25,860,870 | 100.00% | \$ 25,860,870 |
| Overlapping debt: | | | |
| Cuyahoga County | 199,185,000 | 4.30% | 8,564,955 |
| Regional Transit Authority | 156,500,000 | 4.30% | 6,729,500 |
| City of Westlake | <u>21,248,197</u> | 100.00% | <u>21,248,197</u> |
| Total direct and overlapping debt | <u>\$ 402,794,067</u> | | <u>\$ 62,403,522</u> |

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2006 collection year.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| Fiscal Year | Voted Debt Limit | Total Debt Applicable to Limit | Debt Service Available Balance | Net Debt Applicable to Limit | Voted Legal Debt Margin | Total Net Debt Applicable to Limit as a Percentage of Debt Limit |
|--------------------|-------------------------|---------------------------------------|---------------------------------------|-------------------------------------|--------------------------------|---|
| 2007 | \$ 124,393,537 | \$ 25,860,870 | \$ 3,338,117 | \$ 22,522,753 | \$ 101,870,784 | 18.11% |
| 2006 | 118,793,819 | 28,535,000 | 3,915,579 | 24,619,421 | 94,174,398 | 20.72% |
| 2005 | 116,699,687 | 31,250,000 | 3,496,820 | 27,753,180 | 88,946,507 | 23.78% |
| 2004 | 114,455,040 | 34,140,000 | 3,678,372 | 30,461,628 | 83,993,412 | 26.61% |
| 2003 | 106,996,173 | 36,365,000 | 2,815,390 | 33,549,610 | 73,446,563 | 31.36% |
| 2002 | 105,572,727 | 29,500,000 | 2,658,525 | 26,841,475 | 78,731,252 | 25.42% |
| 2001 | 102,028,082 | 31,185,000 | 2,097,364 | 29,087,636 | 72,940,446 | 28.51% |
| 2000 | 89,440,116 | 32,730,000 | 1,664,544 | 31,065,456 | 58,374,660 | 34.73% |
| 1999 | 85,492,147 | 34,150,000 | 1,557,170 | 32,592,830 | 52,899,317 | 38.12% |
| 1998 | 83,550,490 | 35,390,000 | 1,119,936 | 34,270,064 | 49,280,426 | 41.02% |

Source: Cuyahoga County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

| <u>Year</u> | <u>Population (1)</u> | <u>Per Capita Personal Income (2)</u> | <u>Median Age</u> | <u>School Enrollment (3)</u> | <u>Unemployment Rates</u> | | |
|-------------|-----------------------|---|-----------------------|----------------------------------|----------------------------|-------------|--------------------------|
| | | | | | <u>Cuyahoga County</u> | <u>Ohio</u> | <u>United States</u> |
| 2007 | 31,719 | \$ 37,142 | 42.0 | 4,364 | 5.7% | 5.5% | 4.4% |
| 2006 | 31,719 | 37,044 | 42.0 | 4,110 | 4.8% | 4.7% | 4.4% |
| 2005 | 31,719 | 37,044 | 42.0 | 3,994 | 5.7% | 5.9% | 5.0% |
| 2004 | 31,719 | 37,044 | 42.0 | 3,917 | 6.6% | 5.7% | 5.1% |
| 2003 | 31,719 | 37,044 | 42.0 | 3,880 | 6.7% | 5.5% | 5.7% |
| 2002 | 31,719 | 37,044 | 42.0 | 3,743 | 4.6% | 5.3% | 6.0% |
| 2001 | 31,719 | 37,044 | 42.0 | 3,754 | 4.5% | 4.8% | 5.8% |
| 2000 | 27,018 | 37,044 | 42.0 | 3,751 | 4.5% | 3.9% | 4.0% |
| 1999 | 27,018 | 37,044 | 37.4 | 3,670 | 4.6% | 4.0% | 4.1% |
| 1998 | 27,018 | 24,000 | 37.4 | 3,643 | 4.4% | 4.3% | 4.5% |

(1 & 2) U. S. Census Bureau
(3) District records

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

| <u>Employer</u> | <u>December 31, 2006</u> | | |
|-------------------------------|--------------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| St. John Westshore Hospital | 1,210 | 1 | 4.64% |
| Westlake City Schools | 565 | 2 | 2.17% |
| Hyland Software | 550 | 3 | 2.11% |
| Energizer | 450 | 4 | 1.72% |
| City of Westlake | 419 | 5 | 1.61% |
| Lutheran Home | 400 | 6 | 1.53% |
| USG Interiors/American Metals | 300 | 7 | 1.15% |
| Harborside Healthcare | 300 | 8 | 1.15% |
| Lake Erie Electric | 275 | 9 | 1.05% |
| Travel Centers of America | 260 | 10 | 1.00% |
| Total | 4,729 | | 18.12% |
| Total City Employees | 26,093 | | |

| <u>Employer</u> | <u>December 31, 1997</u> | | |
|-------------------------------|--------------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| St. John Westshore Hospital | 930 | 1 | n/a |
| USG Interiors, Inc. | 700 | 2 | n/a |
| Eveready Battery Co., Inc. | 525 | 3 | n/a |
| Electronic Data Systems, Inc. | 344 | 4 | n/a |
| Jacobs, Visconsi & Jacobs | 325 | 5 | n/a |
| Radiometer America, Inc. | 222 | 6 | n/a |
| Cotter & Company | 222 | 7 | n/a |
| Bonne Bell | 200 | 8 | n/a |
| Scott & Fetzer Corporation | 200 | 9 | n/a |
| Nordson Corporation | 175 | 10 | n/a |
| Total | 3,843 | | n/a |
| Total City Employees | n/a | | |

Source: City of Westlake, Ohio, Department of Planning of Economic Development - amounts are estimates. Total City employment based upon estimate from the Regional Income Tax Authority 2006 withholding information.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE
LAST SIX FISCAL YEARS**

| <u>Type</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Professional Staff: | | | | | | |
| Teaching Staff: | | | | | | |
| Elementary | 87 | 86 | 86 | 86 | 85 | 84 |
| Intermediate | 41 | 41 | 41 | 40 | 41 | 40 |
| Middle | 45 | 45 | 45 | 45 | 44 | 40 |
| High | 92 | 92 | 90 | 91 | 90 | 85 |
| Administration: | | | | | | |
| District | 21 | 21 | 21 | 21 | 21 | 21 |
| Auxiliary Positions: | | | | | | |
| Counselors | 10 | 10 | 10 | 10 | 10 | 10 |
| Nurses | 2 | 2 | 2 | 2 | 2 | 2 |
| Speech | 5 | 4 | 4 | 4 | 4 | 4 |
| Mental Health Specialists | 2 | 2 | 2 | 2 | 2 | 2 |
| Support Staff: | | | | | | |
| Secretarial | 42 | 42 | 42 | 42 | 42 | 42 |
| Aides | 55 | 53 | 50 | 46 | 44 | 42 |
| Hall monitor/Security | 12 | 12 | 12 | 12 | 12 | 12 |
| Technical | 2 | 2 | 2 | 2 | 2 | 2 |
| Cooks | 33 | 33 | 33 | 33 | 33 | 33 |
| Custodial | 35 | 35 | 35 | 35 | 35 | 33 |
| Maintenance | 6 | 6 | 6 | 6 | 6 | 6 |
| Bus Driver | 64 | 64 | 66 | 66 | 65 | 68 |
| Mechanics | 3 | 3 | 3 | 3 | 3 | 3 |
| Extracurricular | 200 | 200 | 200 | 200 | 200 | 198 |
| Total | 757 | 752 | 750 | 746 | 740 | 727 |

Source: School District records

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular and Special | | | | | | | | | | |
| Enrollment (students) | 4,364 | 4,110 | 3,994 | 3,917 | 3,880 | 3,743 | 3,754 | 3,751 | 3,670 | 3,643 |
| Graduates | 314 | n/a | 269 | 315 | 294 | 275 | 321 | 290 | 291 | 265 |
| Support services: | | | | | | | | | | |
| Instructional staff | | | | | | | | | | |
| Library | | | | | | | | | | |
| Daily circulation | 773 | 761 | 1,103 | 1,360 | 1,366 | 1,354 | 1,238 | 1,223 | 521 | 620 |
| Board of education | | | | | | | | | | |
| Regular meetings per year | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Administration | | | | | | | | | | |
| Student attendance rate | 95.4 | 95.7 | 95.5 | 95.7 | 95.3 | 95.0 | 95.5 | 98.0 | 95.3 | 95.2 |
| Fiscal | | | | | | | | | | |
| Purchase orders processed | 6,458 | 5,687 | 6,714 | 6,149 | 6,794 | 5,908 | 5,309 | n/a | n/a | n/a |
| Nonpayroll checks issued | 5,139 | 4,754 | 5,248 | 5,742 | 5,209 | 6,129 | 5,889 | 5,479 | 5,887 | 6,028 |
| Operations and maintenance | | | | | | | | | | |
| Work orders completed | 929 | 879 | 706 | 330 | 43 | n/a | n/a | n/a | n/a | n/a |
| Square footage maintained | 608,159 | 608,159 | 608,159 | 570,659 | 570,659 | 555,659 | 555,659 | 555,659 | 555,659 | 555,659 |
| Central | | | | | | | | | | |
| Work orders completed | 1,752 | 1,309 | 1,160 | 808 | 551 | n/a | n/a | n/a | n/a | n/a |
| Extracurricular activities | | | | | | | | | | |
| Varsity teams | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Junior varsity teams | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Food service operations | | | | | | | | | | |
| Meals served to students | 186,355 | 163,605 | 142,180 | 134,405 | 132,327 | 121,912 | 127,505 | n/a | n/a | n/a |

Source: District records

n/a - information not available.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST SEVEN FISCAL YEARS**

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Land | \$ 2,468,751 | \$ 2,468,751 | \$ 2,468,751 | \$ 2,468,751 | \$ 2,468,751 |
| Construction in progress | - | - | - | 3,830,296 | - |
| Land improvements | 179,252 | 70,318 | 73,179 | 76,040 | 68,762 |
| Buildings and improvements | 38,972,069 | 40,127,848 | 41,160,787 | 33,182,803 | 33,716,064 |
| Furniture, fixtures and equipment | 1,572,356 | 1,393,774 | 1,499,585 | 1,625,811 | 1,774,616 |
| Vehicles | 1,697,313 | 1,619,270 | 1,899,608 | 1,962,811 | 2,045,440 |
| Textbooks | 356,899 | 440,627 | 642,514 | 515,743 | 421,691 |
| | | | | | |
| Total Governmental Activities Capital Assets, net | <u>\$ 45,246,640</u> | <u>\$ 46,120,588</u> | <u>\$ 47,744,424</u> | <u>\$ 43,662,255</u> | <u>\$ 40,495,324</u> |

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

| <u>2002</u> | <u>2001</u> |
|----------------------|----------------------|
| \$ 2,468,751 | \$ 2,468,751 |
| - | - |
| 71,034 | - |
| 33,393,938 | 33,768,577 |
| 2,004,164 | 2,142,387 |
| 1,747,703 | 1,707,036 |
| 431,029 | 194,977 |
| <u>\$ 40,116,619</u> | <u>\$ 40,281,728</u> |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Bassett Elementary (1967) | | | | | |
| Square feet | 25,439 | 25,439 | 25,439 | 25,439 | 25,439 |
| Capacity (students) | 335 | 335 | 335 | 335 | 335 |
| Enrollment | 388 | 388 | 397 | 403 | 386 |
| Bassett Elementary (1987) | | | | | |
| Square feet | 10,267 | 10,267 | 10,267 | 10,267 | 10,267 |
| Capacity (students) | 335 | 335 | 335 | 335 | 335 |
| Enrollment | 388 | 388 | 397 | 403 | 386 |
| Bassett Elementary (1998) | | | | | |
| Square feet | 6,174 | 6,174 | 6,174 | 6,174 | 6,174 |
| Capacity (students) | 335 | 335 | 335 | 335 | 335 |
| Enrollment | 388 | 388 | 397 | 403 | 386 |
| Dover Elementary (1949) | | | | | |
| Square feet | 38,325 | 38,325 | 38,325 | 38,325 | 38,325 |
| Capacity (students) | 352 | 352 | 352 | 352 | 352 |
| Enrollment | 421 | 406 | 424 | 404 | 400 |
| Dover Elementary (1970) | | | | | |
| Square feet | 5,346 | 5,346 | 5,346 | 5,346 | 5,346 |
| Capacity (students) | 352 | 352 | 352 | 352 | 352 |
| Enrollment | 421 | 406 | 424 | 404 | 400 |
| Hilliard Elementary (1954) | | | | | |
| Square feet | 39,750 | 39,750 | 39,750 | 39,750 | 39,750 |
| Capacity (students) | 328 | 328 | 328 | 328 | 328 |
| Enrollment | 324 | 369 | 292 | 318 | 312 |
| Hilliard Elementary (1998) | | | | | |
| Square feet | 1,187 | 1,187 | 1,187 | 1,187 | 1,187 |
| Capacity (students) | 328 | 328 | 328 | 328 | 328 |
| Enrollment | 324 | 369 | 292 | 318 | 312 |
| Holly Lane Elementary (1961) | | | | | |
| Square feet | 33,297 | 33,297 | 33,297 | 33,297 | 33,297 |
| Capacity (students) | 283 | 283 | 283 | 283 | 283 |
| Enrollment | 304 | 296 | 250 | 249 | 271 |
| Holly Lane Elementary (1998) | | | | | |
| Square feet | 2,191 | 2,191 | 2,191 | 2,191 | 2,191 |
| Capacity (students) | 283 | 283 | 283 | 283 | 283 |
| Enrollment | 304 | 296 | 250 | 249 | 271 |
| Parkside Intermediate (1966) | | | | | |
| Square feet | 54,407 | 54,407 | 54,407 | 54,407 | 54,407 |
| Capacity (students) | 519 | 519 | 519 | 519 | 519 |
| Enrollment | 618 | 619 | 626 | 626 | 614 |
| Parkside Intermediate (1998) | | | | | |
| Square feet | 18,114 | 18,114 | 18,114 | 18,114 | 18,114 |
| Capacity (students) | 519 | 519 | 519 | 519 | 519 |
| Enrollment | 618 | 619 | 626 | 626 | 614 |
| Lee Burneson Middle (1975) | | | | | |
| Square feet | 18,853 | 18,853 | 18,853 | 18,853 | 18,853 |
| Capacity (students) | 646 | 646 | 646 | 646 | 646 |
| Enrollment | 673 | 561 | 615 | 602 | 565 |
| Lee Burneson Middle (1982) | | | | | |
| Square feet | 55,274 | 55,274 | 55,274 | 55,274 | 55,274 |
| Capacity (students) | 646 | 646 | 646 | 646 | 646 |
| Enrollment | 673 | 561 | 615 | 602 | 565 |

| 2002 | 2001 | 2000 | 1999 | 1998 |
|-------------|-------------|-------------|-------------|-------------|
| 25,439 | 25,439 | 25,439 | 25,439 | 25,439 |
| 335 | 335 | 335 | 335 | 335 |
| 388 | 381 | 380 | 381 | 392 |
| 10,267 | 10,267 | 10,267 | 10,267 | 10,267 |
| 335 | 335 | 335 | 335 | 335 |
| 388 | 381 | 380 | 381 | 392 |
| 6,174 | 6,174 | 6,174 | 6,174 | 6,174 |
| 335 | 335 | 335 | 335 | 335 |
| 388 | 381 | 380 | 381 | 392 |
| 38,325 | 38,325 | 38,325 | 38,325 | 38,325 |
| 352 | 352 | 352 | 352 | 352 |
| 408 | 399 | 398 | 405 | 383 |
| 5,346 | 5,346 | 5,346 | 5,346 | 5,346 |
| 352 | 352 | 352 | 352 | 352 |
| 408 | 399 | 398 | 405 | 383 |
| 39,750 | 39,750 | 39,750 | 39,750 | 39,750 |
| 328 | 328 | 328 | 328 | 328 |
| 303 | 321 | 310 | 306 | 302 |
| 1,187 | 1,187 | 1,187 | 1,187 | 1,187 |
| 328 | 328 | 328 | 328 | 328 |
| 303 | 321 | 310 | 306 | 302 |
| 33,297 | 33,297 | 33,297 | 33,297 | 33,297 |
| 283 | 283 | 283 | 283 | 283 |
| 273 | 267 | 270 | 274 | 298 |
| 2,191 | 2,191 | 2,191 | 2,191 | 2,191 |
| 283 | 283 | 283 | 283 | 283 |
| 273 | 267 | 270 | 274 | 298 |
| 54,407 | 54,407 | 54,407 | 54,407 | 54,407 |
| 519 | 519 | 519 | 519 | 519 |
| 636 | 625 | 626 | 626 | 619 |
| 18,114 | 18,114 | 18,114 | 18,114 | 18,114 |
| 519 | 519 | 519 | 519 | 519 |
| 636 | 625 | 626 | 626 | 619 |
| 18,853 | 18,853 | 18,853 | 18,853 | 18,853 |
| 646 | 646 | 646 | 646 | 646 |
| 611 | 663 | 680 | 675 | 669 |
| 55,274 | 55,274 | 55,274 | 55,274 | 55,274 |
| 646 | 646 | 646 | 646 | 646 |
| 611 | 663 | 680 | 675 | 669 |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHOOL BUILDING INFORMATION - Continued
LAST TEN FISCAL YEARS

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Lee Burneson Middle (1998) | | | | | |
| Square feet | 18,129 | 18,129 | 18,129 | 18,129 | 18,129 |
| Capacity (students) | 646 | 646 | 646 | 646 | 646 |
| Enrollment | 673 | 561 | 615 | 602 | 565 |
| Westlake High School (1960) | | | | | |
| Square feet | 97,923 | 97,923 | 97,923 | 97,923 | 97,923 |
| Capacity (students) | 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| Enrollment | 1,371 | 1,179 | 1,206 | 1,209 | 1,213 |
| Westlake High School (1970) | | | | | |
| Square feet | 39,651 | 39,651 | 39,651 | 39,651 | 39,651 |
| Capacity (students) | 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| Enrollment | 1,371 | 1,179 | 1,206 | 1,209 | 1,213 |
| Westlake High School (1988) | | | | | |
| Square feet | 47,841 | 47,841 | 47,841 | 47,841 | 47,841 |
| Capacity (students) | 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| Enrollment | 1,371 | 1,179 | 1,206 | 1,209 | 1,213 |
| Westlake High School (1998) | | | | | |
| Square feet | 22,691 | 22,691 | 22,691 | 22,691 | 22,691 |
| Capacity (students) | 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| Enrollment | 1,371 | 1,179 | 1,206 | 1,209 | 1,213 |
| Westlake High School (2004) | | | | | |
| Square feet | 37,500 | 37,500 | 37,500 | - | - |
| Capacity (students) | 1,246 | 1,246 | 1,246 | - | - |
| Enrollment | 1,371 | 1,179 | 1,206 | - | - |
| Administration Building (Old) | | | | | |
| Square feet | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| Administration Building (2003) | | | | | |
| Square feet | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Transportation Facility | | | | | |
| Square feet | 14,300 | 14,300 | 14,300 | 14,300 | 14,300 |
| | | | | | |
| Total Square Feet | 299,535 | 299,535 | 299,535 | 262,035 | 262,035 |
| Total Capacity | 6,876 | 6,876 | 6,876 | 5,630 | 5,630 |
| Total Enrollment | 7,528 | 6,456 | 6,645 | 5,438 | 5,417 |

Source: District records

Note: Year of original construction is in parentheses. Increases in square footage and capacity are the result of renovations and additions.

Capacity is the "program" capacity and decreases are the result of changes in federal, state or local standards.

| 2002 | 2001 | 2000 | 1999 | 1998 |
|-------------|-------------|-------------|-------------|-------------|
| 18,129 | 18,129 | 18,129 | 18,129 | 18,129 |
| 646 | 646 | 646 | 646 | 646 |
| 611 | 663 | 680 | 675 | 669 |
| 97,923 | 97,923 | 97,923 | 97,923 | 97,923 |
| 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| 1,194 | 1,205 | 1,220 | 1,263 | 1,344 |
| 39,651 | 39,651 | 39,651 | 39,651 | 39,651 |
| 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| 1,194 | 1,205 | 1,220 | 1,263 | 1,344 |
| 47,841 | 47,841 | 47,841 | 47,841 | 47,841 |
| 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| 1,194 | 1,205 | 1,220 | 1,263 | 1,344 |
| 22,691 | 22,691 | 22,691 | 22,691 | 22,691 |
| 1,246 | 1,246 | 1,246 | 1,246 | 1,246 |
| 1,194 | 1,205 | 1,220 | 1,263 | 1,344 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 6,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| - | - | - | - | - |
| 14,300 | 14,300 | 14,300 | 14,300 | 14,300 |
| 247,035 | 247,035 | 247,035 | 247,035 | 247,035 |
| 5,630 | 5,630 | 5,630 | 5,630 | 5,630 |
| 5,387 | 5,483 | 5,560 | 5,727 | 6,045 |

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | General Government | | Governmental Activities (2) | | Enrollment |
|-------------|--------------------|----------------|-----------------------------|----------------|------------|
| | Expenses (1) | Cost per pupil | Expenses (1) | Cost per pupil | |
| 2007 | \$ 47,620,277 | \$ 10,912 | \$ 47,772,734 | \$ 10,947 | 4,364 |
| 2006 | 46,535,447 | 11,322 | 46,017,786 | 11,197 | 4,110 |
| 2005 | 50,159,904 | 12,559 | 45,732,550 | 11,450 | 3,994 |
| 2004 | 46,612,799 | 11,900 | 44,709,349 | 11,414 | 3,917 |
| 2003 | 40,892,585 | 10,539 | 40,737,748 | 10,499 | 3,880 |
| 2002 | 38,811,270 | 10,369 | 39,390,249 | 10,524 | 3,743 |
| 2001 | 38,587,257 | 10,279 | 38,736,578 | 10,319 | 3,754 |
| 2000 | 34,565,209 | 9,215 | N/A | N/A | 3,751 |
| 1999 | 40,031,240 | 10,908 | N/A | N/A | 3,670 |
| 1998 | 51,667,315 | 14,183 | N/A | N/A | 3,643 |

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2001.

| Percent Change | Teaching Staff | Pupil/Teacher Ratio | Student Attendance Percentage |
|-----------------------|-----------------------|----------------------------|--------------------------------------|
| 6.18% | 250 | 17.46 | 95.40% |
| 2.90% | 276 | 14.89 | 95.70% |
| 1.97% | 272 | 14.68 | 95.50% |
| 0.95% | 271 | 14.45 | 95.70% |
| 3.66% | 266 | 14.59 | 95.30% |
| -0.29% | 262 | 14.29 | 95.00% |
| 0.08% | 258 | 14.55 | 95.50% |
| 2.21% | 253 | 14.83 | 98.00% |
| 0.74% | 258 | 14.22 | 95.30% |
| -2.88% | 258 | 14.12 | 95.20% |

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Mary Taylor, CPA
Auditor of State

WESTLAKE CITY SCHOOL DISTRICT

CUYAHOGA 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
JANUARY 10, 2008**