



**WESTLAKE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2004**



**Auditor of State  
Betty Montgomery**



WESTLAKE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

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**WESTLAKE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2004**

FEDERAL GRANTOR Pass-Through Grantor / Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550	0	25,592	0	25,592
National School Lunch Program	045062 LL P4 04	10.555	69,677		69,677	
<b>Total U. S. Department of Agriculture</b>			<b>69,677</b>	<b>25,592</b>	<b>69,677</b>	<b>25,592</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education</i>						
<i>Special Education Cluster:</i>						
Special Education Grants to States	045062 6B SF 03 P	84.027	122,747		124,025	
	045062 6B SD 03 P		0		23,553	
	045062 6B SD 04 P		22,500		21,190	
	045062 6B EC 03 P		2,200		2,200	
	045062 6B SF 04 P		487,683		396,354	
<b>Total CFDA</b>			<b>635,130</b>	<b>0</b>	<b>567,322</b>	<b>0</b>
Special Education Preschool	045062 PG S1 03 P	84.173	0		3,392	
	045062 PG S1 04		16,310		14,793	
<b>Total CFDA</b>			<b>16,310</b>	<b>0</b>	<b>18,185</b>	<b>0</b>
<b>Total Special Education Cluster</b>			<b>651,440</b>	<b>0</b>	<b>585,507</b>	<b>0</b>
Title I, Part A, ESEA	045062 C1 S1 03	84.010	6,797		1,149	
	045062 C1 S1 04		2,316		2,573	
<b>Total CFDA</b>			<b>9,113</b>	<b>0</b>	<b>3,722</b>	<b>0</b>
Safe and Drug Free Schools	045062 DR S1 04	84.186	11,090		11,090	
<b>Total CFDA</b>			<b>11,090</b>	<b>0</b>	<b>11,090</b>	<b>0</b>
Eisenhower Professional Development	045062 MS S1 02	84.281			3,319	
<b>Total CFDA</b>			<b>0</b>	<b>0</b>	<b>3,319</b>	<b>0</b>
Innovative Education Program Strategy	045062 C2 S1 02	84.298	0		19,038	
	045062 C2 S1 03		15,523		1,816	
	045062 C2 S1 04		27,260		22,594	
<b>Total CFDA</b>			<b>42,783</b>	<b>0</b>	<b>43,448</b>	<b>0</b>
Adult Basic Education	045062 AB S1 03 C	84.002	0		44,239	
	045062 AB S1 04		49,144		51,699	
	045062 AB S2 04		12,733		12,733	
<b>Total CFDA</b>			<b>61,877</b>	<b>0</b>	<b>108,671</b>	<b>0</b>
State Improvement	045062 ST S1 02	84.323	27,500		67,675	
<b>Total CFDA</b>			<b>27,500</b>	<b>0</b>	<b>67,675</b>	<b>0</b>
School Renovation	045062 AT S3 02	84.352A			37	
<b>Total CFDA</b>			<b>0</b>	<b>0</b>	<b>37</b>	<b>0</b>
Improving Teacher Quality	045062 TR S1 03	84.367	9,158		4,461	
	045062 TR S1 04		76,719		58,766	
<b>Total CFDA</b>			<b>85,877</b>	<b>0</b>	<b>63,227</b>	<b>0</b>
Immigrant, Title III	045062 T3S2 04	84.365	6,922		6,922	
<b>Total CFDA</b>			<b>6,922</b>	<b>0</b>	<b>6,922</b>	<b>0</b>
Technology Literacy Challenge	045062 TJ S1 03	84.318			1,150	
<b>Total CFDA</b>			<b>0</b>	<b>0</b>	<b>1,150</b>	<b>0</b>
<b>Total U. S. Department of Education</b>			<b>896,602</b>	<b>0</b>	<b>894,768</b>	<b>0</b>
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>966,279</b>	<b>25,592</b>	<b>964,445</b>	<b>25,592</b>

See Notes to the Schedule of Federal Awards Receipts and Expenditures.

**WESTLAKE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2004**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

**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 fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2004, 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.

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

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, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed instances of noncompliance that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 and 2004-002. We also noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated December 16, 2004.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the District's management in a separate letter dated December 16, 2004.

Westlake City School District  
Cuyahoga County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management, the Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

December 16, 2004



## Auditor of State Betty Montgomery

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

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

#### 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 are applicable to its major federal program for the year ended June 30, 2004. The District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of District's management. 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 obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

#### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with 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 have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance  
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 16, 2004.

**Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of the District, as of and for the year ended June 30, 2004, and have issued our report thereon dated December 16, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

December 16, 2004

**WESTLAKE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2004**

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

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

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

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

<b>FINDING NUMBER</b>	<b>2004-001</b>
-----------------------	-----------------

Ohio Rev. Code Section 5705.39 prohibits a political subdivision from making a fund appropriation in excess of estimated resources available for expenditure from the fund. In addition, Ohio Rev. Code Section 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 which were in excess of estimated resources as reported on the Official Certificate of Estimated Resources at June 30, 2004:

**WESTLAKE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2004**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 Section .505  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>FINDING NUMBER</b>	<b>2004-001</b>
-----------------------	-----------------

FUND	ESTIMATED RESOURCES	APPROPRIATIONS	VARIANCE
Debt Service Bond Retirement	\$6,707,183	\$20,132,301	\$13,425,118
Capital Projects Permanent Improvement	500,780	823,527	322,747

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

We recommend the CFO continue to compare appropriations to estimated resources in all funds and accounts which are legally required to be budgeted. Further, the comparisons should be performed monthly, at minimum, and should result in appropriation amendments(s) when necessary.

<b>FINDING NUMBER</b>	<b>2004-002</b>
-----------------------	-----------------

Ohio Rev. Code Section 5705.41 (B) & (D) prohibits a subdivision or taxing unit from making expenditures unless it has been properly appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by the Board of Education may not exceed appropriations at the legal level for all funds. The following fund had expenditures in excess of appropriations and expenditures plus encumbrances in excess of appropriations as of June 30, 2004:

FUND	APPROPRIATIONS PLUS PRIOR YEAR ENCUMBRANCES	EXPENDITURES PLUS ENCUMBRANCES	VARIANCE
Public School Support Operation on Non- Instructional Services:			
Community Services	\$2,600	\$3,782	(\$1,182)
Materials and Supplies			
Extracurricular Activities			
School and Public Service Co- Curricular	341,204	379,766	(38,562)
Activities			
Material and Supplies			

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 required to be budgeted, at the legal level of control (object level within each fund and function), to maintain compliance with the above requirements.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
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None.

**WESTLAKE CITY SCHOOL DISTRICT  
 CUYAHOGA COUNTY  
 JUNE 30, 2004**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
 OMB CIRCULAR A-133 SECTION .315 (b)**

<b>FINDING NUMBER</b>	<b>FINDING SUMMARY</b>	<b>FULLY CORRECTED ?</b>	<b>NOT CORRECTED, PARTIALLY CORRECTED; SIGNIFICANTLY DIFFERENT CORRECTIVE ACTION TAKEN; OR FINDING NO LONGER VALID; EXPLAIN</b>
2003-001	Expenditures plus encumbrances exceeded Appropriations.	No	Not corrected, re-issued as 2004-002
2003-002	Appropriations exceeded estimated resources	No	Not corrected, re-issued as 2004-001



Westlake City School District  
Westlake, Ohio

Comprehensive  
Annual Financial Report

For the Fiscal Year Ended June 30, 2004



**Westlake City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2004*  
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December 16, 2004

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 for the fiscal year ended June 30, 2004. 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, rests with the School 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 School 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 School District's financial affairs. Copies will be made available to the Porter Public Library, major taxpayers, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, an Organizational Chart of the School District and the GFOA Certificate of Achievement.
2. The Financial Section which begins with the Independent Accountants' Report and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed budgetary information.
3. The Statistical Section, which presents social and economic data, financial trends and the fiscal capacity of the Westlake City School District.

### **The School District**

The Westlake City School District is located in western Cuyahoga County, approximately thirteen miles southwest of downtown Cleveland. Westlake City School District encompasses the entire City of Westlake.

### **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**  
27830 Hilliard Rd.  
(440) 835-6352

The School District was originally part of Dover Township. Dover Township was organized as one school district. As the population grew, nine sub-districts were created, each serviced by a one room school. In 1898, the Dover Public High School was organized and anyone graduating from the eighth grade in any of the sub-districts could attend the high school. In 1909, Dover Village, which is now the City of Westlake, incorporated and the first centralized school opened that fall. A bond issue was passed in 1917 allowing four rooms to be added to the rear of the school, doubling its size.

In 1923, a new high school was dedicated and the sub-district system was abandoned. Since that time several new schools have been constructed. There are now seven schools in the School District, one high school, one middle school, one intermediate school and four elementary schools.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services authorized by charter and further mandated by State and Federal agencies.

### **The Reporting Entity**

Westlake City School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School 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.

Excluded from the reporting entity because they are fiscally independent of the School 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 School District are described in Notes 18 and 19, respectively, to the basic financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

### **Economic Condition and Outlook**

The City of Westlake 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. Seventy-five percent of the residentially zoned land has been developed and there is still some commercial and industrial zoned land that remains undeveloped.

In November of 2000, voters approved the construction of Crocker Park, a mixed-use planned development on eighty acres in western Westlake. When fully completed, this development will create a downtown center for Westlake with retail, office, restaurant, and residential spaces. A grand opening for the first phase of this facility was held in November of 2004.

In addition to new commercial/industrial development, Westlake 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 recently affiliated with the University Hospital Health System. Westlake has clinic and outpatient facilities for every major health care provider in the Cleveland area, including the renowned Cleveland Clinic.

School District enrollment has remained relatively flat over the last several years and is projected to remain the same in the foreseeable future. The 2003-2004 October student enrollment reported to the Ohio Department of Education was 3,917.

## **Major Initiatives**

The Westlake City School District continued its major focus on student achievement during the 2003-2004 school year. The School District received, for the fifth consecutive year, the State's highest school district rating, "excellent." Westlake is one of 23 Ohio school districts to achieve the State's highest rating in each of the five years since the program has been established. In addition, 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 the National averages.

Curriculum planning and implementation, technology initiatives and continuous improvement planning strategies as well as the beginning of construction of the district Performing Arts Center marked the 2003-2004 school year. Each of these activities represented the continuation of planning and implementation initiatives already in place and are designed to support and enhance the achievement of students.

A staff committee completed comprehensive revisions of the social studies course of study, which was adopted by the Board of Education for implementation in the 2004-2005 school year. New materials were purchased for students in grades kindergarten through 12, providing new books and software for students. New courses of study in music, art, and media were also developed and approved by the Board.

As a result of community support and voter approval, the School District embarked on the Westlake Performing Arts center project, which will enhance the existing performing arts curriculum. The center will include an 825-seat auditorium, rehearsal room, dressing rooms, scene construction workshop and TV studio. State-of-the-art rigging, sound and lighting systems will support this facility. This project is scheduled to be completed in early winter 2005.

The School District continues to extend technology into the classroom. Technology skills are incorporated into the courses of study. The School District has prepared for the integration of a new information system in all media centers that will enable students and staff to access an array of on-line resources. Burneson Middle School has received a grant from the Ohio SchoolNet office to extend computers into all classrooms.

The School District continues to use technology to communicate with the community and parents. The School District maintains an ever-expanding web site that includes a great deal of School District information, downloadable forms and links to a number of educational resources. All staff members have e-mail and voice mail accounts.

The School District continued to monitor its safety plan and made significant safety related enhancements. The safety plan was revised and reissued. The security cameras were upgraded at the middle school and intermediate school. Discussions with the Westlake Police department have been initiated to tie these cameras, as well as those at the high school, into the police department surveillance system.

In the area of special education, the School District continued to administer two grants to promote staff development and improve student outcomes. Parkside Intermediate School was awarded \$52,500 from the Ohio Department of Education, Office of Exceptional Children, to increase access and progress in the

general curriculum for students with disabilities. This was followed by a continuation grant of \$15,000. Emphasis is 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.

Another major focus was on improving basic literacy skills for both regular education and special needs students. A considerable amount of time was spent developing the K-1 instructional staffs' knowledge of phonemic awareness and phonics programs. In addition, more time was spent providing staff development regarding a research based assessment program called Dynamic Indicators of Basic Literacy Skills (DIBELS). When used in tandem, School District Reading Intervention Specialists are better able to diagnose early reading difficulty, provide instructional interventions based on practices as outlined by the National Reading Panel and monitor the progress of those interventions using DIBELS. An assessment schedule was developed that entails measuring the progress of students in reading intervention on at least a monthly basis. This data is then graphed. Student benchmark goals are predetermined through research and progress is monitored in order to determine if students are on trajectory to meet end of the year goals in the areas of phonemic awareness, phonics and fluency.

The School District's Continuous Improvement Plan (CIP), adopted by the Board in 2000, is a working document that guides the School District in every aspect of its performance. A monitoring committee and an outside school improvement specialist reviewed the goals and performance indicators to keep the School District on target and accountable. The plan received a major revision at the conclusion of the 2003-04 school year. The updated CIP serves as a guide to educators, students and their families, business and community members about the process of achieving and measuring improvements in the School District's performance. It addresses changes in the School District, educational events and State mandates since 1999, including the "No Child Left Behind" legislation signed by President Bush. The CIP emphasizes teamwork, commitment to excellence and a celebration of learning, which is reflected in the School District vision and mission statements.

The permanent improvement fund that began with receipts from the 2000 operating levy is now funded with transfers from the general fund. This fund continues to be used to maintain school buildings and facilities. This past year the District maintained its furniture replacement schedule, upgraded security cameras and replaced an elementary school roof. The School District continued its bus replacement schedule by ordering four additional busses.

## **Financial Information**

### ***Internal Accounting and Budgetary Control***

In developing the School 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 School 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 auditing 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 measures, 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 account level within a function and fund. 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 School 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 School District's budgetary accounting can also be found in Note 2.

### ***Financial Condition***

The School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

***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 School 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.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion follows the Report of Independent Accountants, providing an assessment of the School District's finances for 2004 and a discussion of current issues affecting the School District in the future. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

### ***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 and dental benefits to the School District employees. The internal service fund had net assets of \$274,874 at June 30, 2004, compared with net assets of \$419,314 at June 30, 2003, reflecting a net decrease in net assets of \$144,440.

### ***Financial Highlights - Fiduciary Fund***

The trust fund carried on the financial records of the School District is a college scholarship private purpose trust fund that has net assets totaling \$27,415 as of June 30, 2004.

### **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 School District funds was \$284,529 for the fiscal year ended June 30, 2004, \$187,923 being credited directly to the general fund.

Protection of the School 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.

### **Risk Management**

The School District provides employee medical, surgical, prescription drug, dental and vision benefits for all eligible employees of the district. A self-insurance internal service fund is maintained to account for and finance this program. During the period of July 1-January 31, 2004 Medical Mutual of Ohio administered the plan and reviewed all claims. Stop-loss coverage was also provided by Medical Mutual.

In February, the district opted to participate in a cooperative health insurance arrangement with four other local school districts. This cooperative was formed in order for school districts to achieve additional purchasing power in buying insurance services. During the period of February 1-June 30, 2004 Bridge Benefits administered the plan and reviewed all claims. Stop-loss coverage was provided by American National Insurance Company and the pharmacy benefit manager for the plan was Express Scripts. In addition, the district contracted with Quantum LLC to provide a comprehensive utilization review program.

All employees of Westlake City School District are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The School 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. During fiscal year 2004, the School 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 \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability excluding the umbrella coverage indicated above.

## **Independent Audit**

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2004. 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 School 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, 2003. 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 School 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 School 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 Local Government Services Section of State Auditor Betty Montgomery's office 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 G. Popera  
Chief Financial Officer



James Costanza  
Superintendent of Schools

**Westlake City School District**

*Principal Officials*

*June 30, 2004*

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***Board of Education***

Mr. Thomas LeChaix .....President  
Ms. Renee Wargo..... Vice-President  
Mr. David Beal..... Member  
Mr. Joseph O'Malley ..... Member  
Mr. Robert Swanson ..... Member

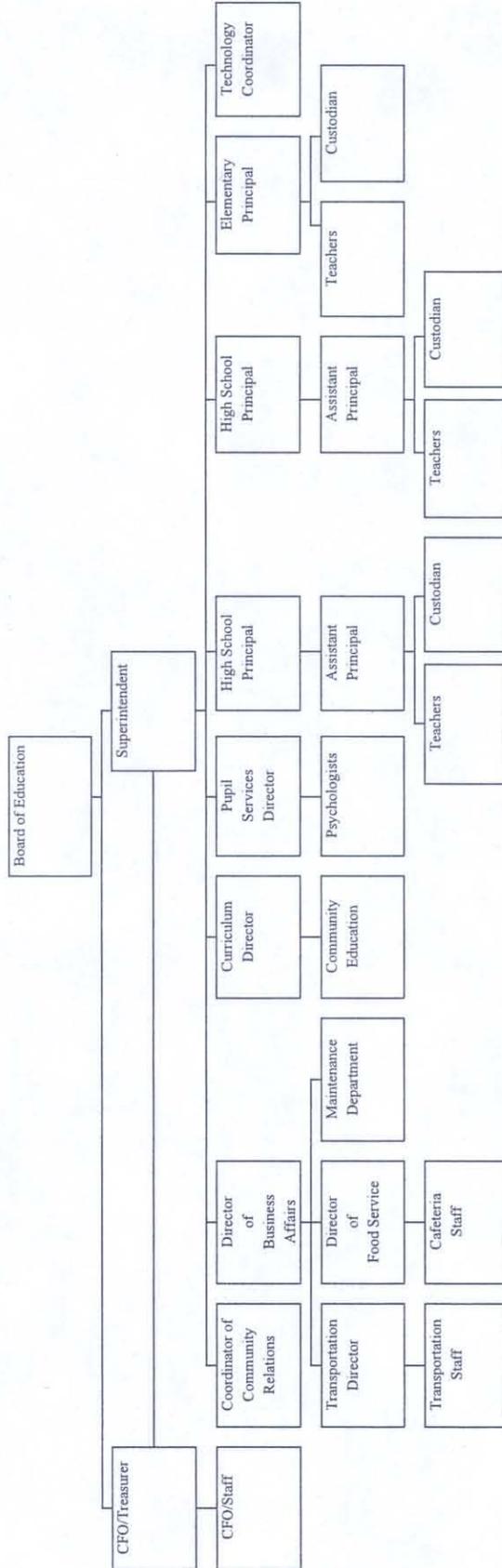
***Chief Financial Officer***

Mr. Mark C. Pepera

***Executive Administration***

Dr. James Costanza, Ed.D..... Superintendent  
Mr. Gary Slocum ..... 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, 2003

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.



President

Executive Director

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

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, 2004, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that 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, 2004, and the respective changes in financial position and the cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2004, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual 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 black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 16, 2004

**Westlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

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The management discussion and analysis of Westlake City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2004. The intent of this narrative is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key Financial Highlights for 2004 are as follows:

- In total, net assets for governmental activities has increased to \$22.3 million from \$21.9 million in fiscal year 2004.
- Program revenues for governmental activities totaled \$3.6 million in fiscal year 2004, up from \$3.3 million in fiscal year 2003.
- Program expenses totaled \$47.3 million in fiscal year 2004, as compared to \$42.5 million in fiscal year 2003. Instructional expenses made up 53.5 percent of the fiscal year 2004 total while support services accounted for 36.6 percent. Other expenses such as food service, extracurricular, debt service and non-instructional rounded out the remaining 9.9 percent.
- The net change in General fund balance was \$.73 million.
- The School District refinanced some of its long-term debt due to the advantageous interest rate environment.

**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 Westlake City School District as a financial whole, or complete operating entity and 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 School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Westlake City School District, the general fund by far is the most significant fund.

**Westlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

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## **Reporting the School District as a Whole**

### *Statement of Net Assets and the Statement of Activities*

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2004?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors though, some financial, some not. Non-financial factors include the School District's performance, demographic and socioeconomic factors and willingness of the community to support the School District.

In the Statement of Net Assets and the Statement of Activities, all School District activities are classified as governmental activities. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service and extracurricular activities.

## **Reporting the School District's Most Significant Funds**

### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General fund, Building capital projects fund and Bond Retirement debt service fund.

### *Governmental Funds*

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

**Westlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

**The School District as a Whole**

You may recall that the *Statement of Net Assets* provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2004 compared to 2003:

**Table 1**

Net Assets  
Governmental Activities

	2004	2003
<b>Assets</b>		
Current and Other Assets	\$57,067,742	\$58,872,192
Capital Assets, Net	43,055,134	40,495,324
<i>Total Assets</i>	100,122,876	99,367,516
<b>Liabilities</b>		
Current and Other Liabilities	39,788,879	37,938,325
Long-Term Liabilities:		
Due Within One Year	4,074,472	3,142,244
Due in More than One Year	33,967,328	36,395,422
<i>Total Liabilities</i>	77,830,679	77,475,991
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	22,686,577	18,625,939
Restricted:		
Capital Projects	0	275,173
Debt Service	1,500,313	2,887,330
School Supplies	44,643	94,697
Extracurricular Activities	352,221	330,025
State Grants	150,680	86,647
Federal Grants	13,124	152,116
Donations	38,250	38,679
Other Purposes	10,079	10,075
Unrestricted (Deficit)	(2,503,690)	(609,156)
<i>Total Net Assets</i>	\$22,292,197	\$21,891,525

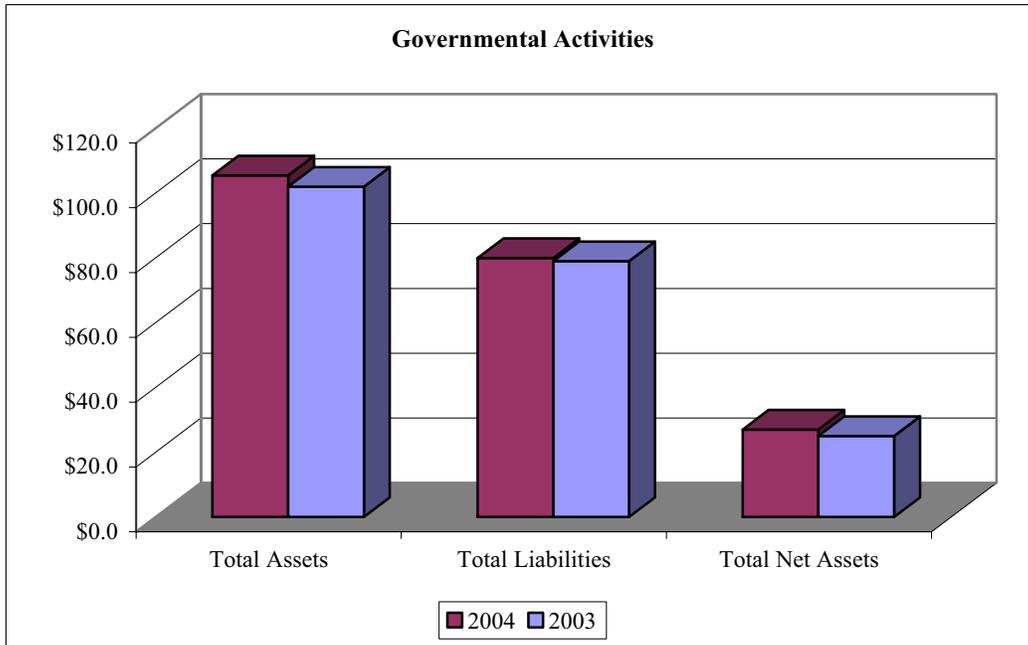
Graph 1 (See page 6)

Net Assets Governmental Activities  
(millions)

	2004	2003
Total Assets	\$100.1	\$99.4
Total Liabilities	77.8	77.5
Total Net Assets	\$22.3	\$21.9

**Westlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

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As one can see total assets increased only \$.76 million from 2003. The majority of this increase can be attributed to an increase of \$.45 million in taxes receivable from 2003.

Total liabilities increased by .46 percent or \$.35 million. The most significant areas of increase were in the categories of contract, claims and intergovernmental payables. In addition, deferred revenue decreased by more than \$1.4 million from fiscal year 2003 as a result of the increase in the amount available as an advance on June 30, which is reported as taxes revenue and not deferred revenue. The unrestricted net assets for governmental activities was (\$2,503,690), which is primarily due to the Library debt being reported in unrestricted net assets, since the library is not reported as an asset of the School District.

In order to determine the overall financial performance of the School District one must consider the relative change in net assets. A change in net assets indicates how an entity is providing for future generations. In looking at Graph 1, net assets increased slightly from 2003 and indicated the School District remained neutral in providing resources for the School District. As projected, and as net assets decrease, the School District will need to be concerned about spending resources of future generations and consider the need for additional operating resources.

The vast majority of revenue supporting all Governmental Activities is general revenue. General revenue accounted for \$44.1 million or 92.5 percent of the total revenue. The most significant portion of general revenue is local property tax. The other type of revenue that accounts for 7.5 percent of total revenue is called program revenues. Program revenues are derived directly from the program or entities outside the school district as a whole, and can help to reduce the net cost of services provided by the School District's General fund. Program revenues increased by 10.4 percent in 2004 from 2003. This increase can be attributed to primarily to the funds received for grants, contributions and charges for services and sales.

**Westlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

Table 2 shows total revenues, expenses and changes in net assets for fiscal year 2004. The increase in fiscal year 2004 net assets can be mainly attributed to property taxes revenue at June 30, 2004 of \$36.4 million compared to \$31.3 million at June 30, 2003.

**Table 2**  
**Governmental Activities**

	2004	2003
<b>Revenues</b>		
Program Revenues:		
Charges for Services and Sales	\$1,843,456	\$1,759,587
Operating Grants and Contributions	1,740,035	1,502,437
Capital Grants and Contributions	19,066	0
<i>Total Program Revenues</i>	<u>3,602,557</u>	<u>3,262,024</u>
General Revenues:		
Property Taxes	36,453,309	31,338,055
Grants and Entitlements	7,315,688	7,356,828
Other	373,985	532,594
<i>Total General Revenues</i>	<u>44,142,982</u>	<u>39,227,477</u>
<i>Total Revenues</i>	<u>47,745,539</u>	<u>42,489,501</u>
<b>Program Expenses</b>		
Instruction		
Regular	21,160,827	18,909,990
Special	3,642,727	3,405,179
Vocational	473,862	392,114
Adult/Continuing	70,955	58,192
Support Services:		
Pupils	2,507,169	2,184,689
Instructional Staff	2,956,229	1,977,693
Board of Education	2,066	79,923
Administration	2,914,934	2,674,304
Fiscal	1,010,454	936,066
Business	321,101	358,033
Operation and Maintenance of Plant	3,723,441	3,358,389
Pupil Transportation	3,699,304	3,456,556
Central	164,189	134,189
Operation of Non-Instructional Services	768,870	802,918
Extracurricular Activities	1,421,331	1,192,747
Operation of Food Services	945,618	816,766
Interest and Fiscal Charges	1,561,790	1,773,682
<i>Total Expenses</i>	<u>47,344,867</u>	<u>42,511,430</u>
<i>Increase (Decrease) in Net Assets</i>	400,672	(21,929)
<i>Net Assets July 1</i>	<u>21,891,525</u>	<u>21,913,454</u>
<i>Net Assets June 30</i>	<u>\$22,292,197</u>	<u>\$21,891,525</u>

**Westlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

***Governmental Activities***

The School District has carefully planned its financial existence by forecasting its revenues and expenditures over the next five years. In May of 2000, the School District successfully passed a 5.5 mill replacement levy that was estimated, by the County Auditor, to generate \$3.2 million dollars in additional revenue per year. Collections began the second half of fiscal year 2001. The full effect of this levy was realized in fiscal year 2002. This additional income was dedicated to the operational and capital needs of the School District over the subsequent four to five years.

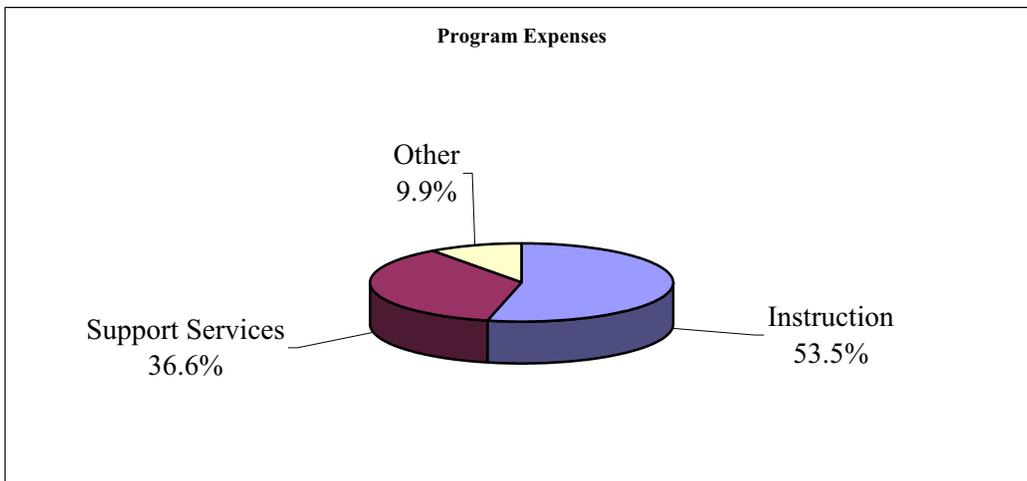
Although the School District relies heavily upon local property taxes to support its operations, they continue to actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

As one can see, the School District spent roughly 53.5 percent of its budget to fund instructional expenses as compared to 53.4 percent in fiscal year 2003. Additional support services for pupils, staff and business operations have increased by \$2.1 million compared to fiscal year 2003 and encompass 36.6 percent. The remaining 9.9 percent of program expenses were budgeted to facilitate other obligations of the School District such as interest and fiscal charges, the food service program and various extracurricular activities.

The Statement of Activities shows the total net cost of program services. Table 3 shows the total cost of services for governmental activities and the net cost of those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Program Expenses

	2004	2003
Instruction	\$25.3	\$22.7
Support Services	17.3	15.2
Other	4.7	4.6
Total	\$47.3	\$42.5



**Westlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
*Unaudited*

**Table 3**

Governmental Activities

	Total Cost of Services 2004	Total Cost of Services 2003	Net Cost of Services 2004	Net Cost of Services 2003
Instruction:				
Regular	\$21,160,827	\$18,909,990	(\$20,932,053)	(\$18,600,110)
Special	3,642,727	3,405,179	(2,892,364)	(2,906,549)
Vocational	473,862	392,114	(473,862)	(392,114)
Adult/Continuing	70,955	58,192	8,213	(11,379)
Support Services:				
Pupils	2,507,169	2,184,689	(2,478,607)	(2,097,060)
Instructional Staff	2,956,229	1,977,693	(2,874,464)	(1,896,211)
Board of Education	2,066	79,923	(2,066)	(79,249)
Administration	2,914,934	2,674,304	(2,914,934)	(2,582,528)
Fiscal	1,010,454	936,066	(1,010,454)	(936,066)
Business	321,101	358,033	(321,101)	(358,033)
Operation and Maintenance of Plant	3,723,441	3,358,389	(3,668,896)	(3,303,905)
Pupil Transportation	3,699,304	3,456,556	(3,647,087)	(3,456,556)
Central	164,189	134,189	(129,013)	(6,967)
Operation of Non-Instructional Services	768,870	802,918	40,353	(95,668)
Extracurricular Activities	1,421,331	1,192,747	(800,829)	(654,450)
Operation of Food Services	945,618	816,766	(83,356)	(98,879)
Interest and Fiscal Charges	1,561,790	1,773,682	(1,561,790)	(1,773,682)
<i>Total Expenses</i>	<u>\$47,344,867</u>	<u>\$42,511,430</u>	<u>(\$43,742,310)</u>	<u>(\$39,249,406)</u>

As one can see, the reliance upon local tax revenues for governmental activities is crucial as local property tax accounts for roughly 76.4 percent of the total revenues in 2004. This amount differs significantly from the prior year primarily due to the higher amount of taxes available as an advance as of June 30, 2004 from the County auditor. Property taxes assume the bulk of the general revenues for the School District; grants and entitlements not restricted to specific programs continue to support 16.6 percent of general revenues. The School District has worked diligently on obtaining any available grants to help offset the burden on its operating resources. Investment and other miscellaneous type revenues account for less than .8 percent of revenues. While the School District is able to offset some of their cost through service charges, grants and contributions, program revenues only account for 7.5 percent of all governmental expenses.

***Clearly, the Westlake community is by far the greatest source of financial support for the Westlake City School system.***

**Westlake City School District**  
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*Unaudited*

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### **School District's Funds**

Information regarding the School District's major funds can be found starting on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$48.2 million and expenditures of \$50.7 million. The net change in fund balance for all governmental funds was (\$2.3) million down from \$6.2 million in 2003. This decrease in fund balance was primarily due spending prior year bond proceeds on school improvements.

### **General Fund Budgeting Highlights**

The School 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 fund to be budgeted is the main operating fund of the School District, the General fund.

During fiscal year 2004, the School District amended its general fund budget numerous times, none significant. The School District uses a site-based style of budgeting and has in place systems that are designed to tightly control expenditures but provide flexibility for site based decision and management.

For the General fund, the final budget basis revenue estimate totaled \$37.3 million and was below original budget estimates of \$37.9 million. Although budgeted amounts differed slightly, a positive variance existed in comparing actual fiscal year revenues to budgeted revenues. This variance was primarily due to additional unanticipated tax revenues and intergovernmental receipts that were received. The final budget basis expenditure estimate totaled \$41.6 million compared to original estimates of \$41.3 million. This difference was primarily due to changes in staffing levels and experience in regular and special instruction, maintenance of plant operations, pupil transportation and other unanticipated costs that evolved throughout the year.

The School District's general fund fund balance totaled \$5.9 million as compared to \$5.5 million in 2003. Although the School District expected its fund balance to decrease this year due to expenses exceeding revenues, lower than normal encumbrances at year-end sustained the fund balance.

Actual expenditures were consistent with annual budget expectations and the School District even finished the year with an overall positive variance of \$2.7 million. Liquidity is very important in the operation of a school district and measures the ability of an entity to cover its existing obligations in the short term.

### **Capital Assets and Debt Administration**

#### *Capital Assets*

At the end of fiscal 2004, the School District had \$43 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks as compared to \$40.5 million at the end of fiscal year 2003. Table 4 shows fiscal year 2004 values compared to fiscal year 2003.

**Westlake City School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

**Table 4**  
**Capital Assets at June 30**  
**Governmental Activities**

	2004	2003
Land	\$2,468,751	\$2,468,751
Construction in Progress	3,830,296	0
Land Improvements	76,040	68,762
Buildings and Improvements	33,182,803	33,716,064
Furniture and Equipment	1,625,811	1,774,616
Vehicles	1,962,811	2,045,440
Textbooks	515,743	421,691
<i>Total</i>	\$43,662,255	\$40,495,324

As one can see, there was a \$3,166,931 increase in total capital assets during the fiscal year. The increase can be specifically attributed to construction in progress relating to the Performing Arts Center, new textbook purchases and minor land improvements. The decreases in building improvements, furniture and equipment and vehicles were due to consistent depreciation expense amount between years. For additional information see Note 9 of the notes to the basic financial statements.

*Debt*

At June 30, 2004 the School District had \$34.5 million in bonds outstanding. Table 5 below summarizes the School District's bonds outstanding.

**Table 5**  
**Bonds Outstanding at June 30**

	Governmental Activities	
	2004	2003
1986 Additions to Facilities 7.25%	\$280,000	\$560,000
1997 School Improvements 5.08%	300,000	2,000,000
1997 School Improvements 5.51%	5,530,000	19,125,000
1998 Library Improvements 5.51%	5,625,000	5,980,000
2002 School Improvements 5.15%		
Serial Bonds	8,480,000	8,700,000
Unamortized Premium	164,373	171,520
2003 School Improvements Refunding 2-15.3%		
Serial Bonds	13,200,000	0
Unamortized Premium	264,342	0
Capital Appreciation Bonds	725,000	0
Accretion on Capital Appreciation Bonds	31,039	0
Unamortized Premium	1,836,057	0
Deferred Loss on Refunding	(1,924,797)	0
<b>Totals</b>	<b>\$34,511,014</b>	<b>\$36,536,520</b>

**Westlake City School District**  
*Management's Discussion and Analysis*  
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The 1986 facility improvement bonds were issued to upgrade School District facilities, primarily at Westlake High School and Bassett elementary school. These bonds will be repaid in fiscal year 2005.

The 1997 school improvement bonds were issued to fund various facility and technology improvements. These bonds were refinanced during the fiscal year and will be repaid in fiscal year 2017.

In 2002, the School District issued \$8.7 million in bonds to provide for a Performing Arts Center. These 2002 school improvement bonds will be fully repaid in fiscal year 2028.

In addition, the School District serves as the fiscal bonding authority for the Porter Public Library. In 1998, the School District issued improvement bonds to renovate and expand their existing facility. This debt will be repaid in fiscal year 2016.

The School District's overall legal debt margin was \$83,993,412 with an unvoted debt margin of \$1,271,723. In fiscal year 2003, Moody's Investor Services reaffirmed the School District's credit rating of Aa2. Moody's indicated the rating reflected the School District's sizeable and growing tax base; manageable debt levels; and sound financial operations. For additional debt obligation information, see Note 14.

#### **School District Outlook**

Westlake City Schools has a solid financial outlook as evidenced by its liquidity and solvency ratios. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast and the School District Continuous Improvement Plan. The School District continues to rank among the top schools in Ohio for educational excellence.

The financial future of the School District is not without its internal as well as external challenges though. In the foreseeable future, the internal challenges will continue as long as the School District must 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 the recent mandates imposed by Federal initiatives.

While the School District relies heavily on its property taxpayers to support its operations, the fiscal capacity and community support for the schools is quite strong. As mentioned earlier, the Westlake voters had passed a 5.5 mill replacement levy in May of 2000, which helped to fund the general operations and permanent improvements of the School 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 School District performing arts center. The School District continues to communicate to the community they rely upon their support for the majority of its operations and will continue to work diligently to plan expenses, staying carefully within the School District's financial five-year plan. The community realizes the income generated by local levies remains relatively constant, thereby forcing the School District to come back to the voters from time to time to ask for additional support.

One can see the School District still has a favorable current ratio in fiscal year 2004 of 1.55 which means the School District can meet current obligations in having enough assets to cover its liabilities. This ratio remained stable from 2003. Solvency is also important and indicates the ability of an entity to cover obligations in the long run. As evidenced by the supporting data in the report, the debt to asset ratio for the School District remained relatively stable at 39.8 percent.

**Westlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2004*  
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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 School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Westlake City School District has not projected any meaningful growth in State revenues due to the concern regarding potential legislation that may require the redistribution of commercial and industrial property taxes. With roughly 40 percent of the taxes for the School District coming from local business and industry, one can see the significant impact this change would have on the School 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 in order to provide the resources required to meet student needs over the next several years.

In summary, the Westlake City School District has committed itself to financial and educational excellence for many years to come. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1993 and the Auditor's Award for Excellence in Financial Reporting since 1993. In addition, the School District was one of only 40 governmental entities in Ohio recognized for financial reporting using the new standards.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the monies it receives. If you have any questions about this report or need additional financial information, contact Mark C. Pepera, Chief Financial Officer, at Westlake City School District, 27200 Hilliard Boulevard, Westlake, Ohio 44145. Or if you prefer, you may email inquiries to: [Pepera@wlake.org](mailto:Pepera@wlake.org).

**Westlake City School District**

*Statement of Net Assets*

*June 30, 2004*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$18,826,368
Cash and Cash Equivalents with Escrow Agent	91,346
Accounts Receivable	10,771
Intergovernmental Receivable	16,579
Inventory Held for Resale	4,257
Materials and Supplies Inventory	26,778
Taxes Receivable	37,812,504
Deferred Charges	279,139
Nondepreciable Capital Assets	6,299,047
Depreciable Capital Assets, Net	<u>37,363,208</u>
 <i>Total Assets</i>	 <u>100,729,997</u>
 <b>Liabilities</b>	
Accounts Payable	429,252
Contracts Payable	984,918
Accrued Wages and Benefits	3,838,160
Retainage Payable	139,079
Intergovernmental Payable	2,527,039
Deferred Revenue	30,411,073
Accrued Interest Payable	115,852
Claims Payable	876,899
Long-Term Liabilities:	
Due Within One Year	4,074,472
Due In More Than One Year	<u>33,967,328</u>
 <i>Total Liabilities</i>	 <u>77,364,072</u>
 <b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	23,293,698
Restricted for:	
Debt Service	1,500,313
School Supplies	44,643
Extracurricular Activities	352,221
State Grants	150,680
Federal Grants	13,124
Donations	38,250
Other Purposes	10,079
Unrestricted (Deficit)	<u>(2,037,083)</u>
 <i>Total Net Assets</i>	 <u><u>\$23,365,925</u></u>

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2004

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions		Capital Grants and Contributions
<b>Governmental Activities</b>					
Instruction:					
Regular	\$20,669,591	\$149,346	\$79,428	\$0	(\$20,440,817)
Special	3,597,814	0	750,363	0	(2,847,451)
Vocational	469,663	0	0	0	(469,663)
Adult/Continuing	70,955	0	79,168	0	8,213
Support Services:					
Pupils	2,481,334	0	28,562	0	(2,452,772)
Instructional Staff	2,897,289	0	81,765	0	(2,815,524)
Board of Education	2,066	0	0	0	(2,066)
Administration	2,884,080	0	0	0	(2,884,080)
Fiscal	1,003,922	0	0	0	(1,003,922)
Business	314,645	0	0	0	(314,645)
Operation and Maintenance of Plant	3,682,109	54,545	0	0	(3,627,564)
Pupil Transportation	3,408,168	33,151	0	19,066	(3,355,951)
Central	147,463	0	35,176	0	(112,287)
Operation of Non-Instructional Services	758,102	314,571	494,652	0	51,121
Extracurricular Activities	1,386,634	535,955	84,547	0	(766,132)
Operation of Food Services	935,514	755,888	106,374	0	(73,252)
Interest and Fiscal Charges	1,561,790	0	0	0	(1,561,790)
<i>Total Governmental Activities</i>	<u>\$46,271,139</u>	<u>\$1,843,456</u>	<u>\$1,740,035</u>	<u>\$19,066</u>	<u>(42,668,582)</u>

**General Revenues**

Property Taxes Levied for:		
General Purposes		32,333,981
Debt Service		4,119,328
Grants and Entitlements not Restricted to Specific Programs		7,315,688
Investment Earnings		282,326
Miscellaneous		91,659
<i>Total General Revenues</i>		<u>44,142,982</u>
<i>Change in Net Assets</i>		1,474,400
<i>Net Assets Beginning of Year</i>		<u>21,891,525</u>
<i>Net Assets End of Year</i>		<u>\$23,365,925</u>

See accompanying notes to the basic financial statements

**Westlake City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2004*

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$7,557,569	\$2,960,566	\$6,136,285	\$1,020,175	\$17,674,595
Cash and Cash Equivalents with Escrow Agent	0	0	91,346	0	91,346
Accounts Receivable	10,745	0	0	26	10,771
Intergovernmental Receivable	6,794	0	0	9,785	16,579
Interfund Receivable	47,107	0	0	0	47,107
Inventory Held for Resale	0	0	0	4,257	4,257
Materials and Supplies Inventory	26,150	0	0	628	26,778
Taxes Receivable	33,724,606	4,087,898	0	0	37,812,504
<i>Total Assets</i>	<u>\$41,372,971</u>	<u>\$7,048,464</u>	<u>\$6,227,631</u>	<u>\$1,034,871</u>	<u>\$55,683,937</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$345,497	\$0	\$2,586	\$81,169	\$429,252
Contracts Payable	0	0	984,918	0	984,918
Accrued Wages and Benefits	3,763,869	0	0	74,291	3,838,160
Retainage Payable	0	0	139,079	0	139,079
Interfund Payable	0	0	0	47,107	47,107
Intergovernmental Payable	1,390,521	0	0	120,563	1,511,084
Deferred Revenue	28,669,965	3,370,092	0	0	32,040,057
<i>Total Liabilities</i>	<u>34,169,852</u>	<u>3,370,092</u>	<u>1,126,583</u>	<u>323,130</u>	<u>38,989,657</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	1,251,002	0	4,594,390	143,720	5,989,112
Reserved for Property Taxes	5,054,641	717,806	0	0	5,772,447
Unreserved					
Undesignated, Reported in:					
General Fund	897,476	0	0	0	897,476
Special Revenue Funds	0	0	0	567,848	567,848
Debt Service Fund	0	2,960,566	0	0	2,960,566
Capital Projects Funds	0	0	506,658	173	506,831
<i>Total Fund Balances</i>	<u>7,203,119</u>	<u>3,678,372</u>	<u>5,101,048</u>	<u>711,741</u>	<u>16,694,280</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$41,372,971</u>	<u>\$7,048,464</u>	<u>\$6,227,631</u>	<u>\$1,034,871</u>	<u>\$55,683,937</u>

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2004*

<b>Total Governmental Funds Balances</b>	<b>\$16,694,280</b>
 <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.	43,662,255
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Delinquent Property Taxes	1,628,984
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	274,874
Intergovernmental payables includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(1,015,955)
Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds.	279,139
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(115,852)
Liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(34,511,014)
Compensated Absences	(3,434,919)
Capital Leases Payable	(95,867)
Total	(38,041,800)
 <i>Net Assets of Governmental Activities</i>	 <b><u><u>\$23,365,925</u></u></b>

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2004*

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$32,732,814	\$4,131,072	\$0	\$0	\$36,863,886
Intergovernmental	7,051,706	486,430	0	1,503,017	9,041,153
Interest	187,923	4,729	87,797	3,789	284,238
Tuition and Fees	73,362	0	0	653,111	726,473
Extracurricular Activities	0	0	0	289,239	289,239
Rentals	54,545	0	0	0	54,545
Charges for Services	17,311	0	0	755,888	773,199
Contributions and Donations	0	0	0	84,224	84,224
Miscellaneous	71,271	0	0	20,388	91,659
<i>Total Revenues</i>	<u>40,188,932</u>	<u>4,622,231</u>	<u>87,797</u>	<u>3,309,656</u>	<u>48,208,616</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	19,820,782	0	0	145,489	19,966,271
Special	3,041,015	0	0	409,566	3,450,581
Vocational	456,127	0	0	0	456,127
Adult/Continuing	0	0	0	64,786	64,786
Support Services:					
Pupils	2,282,759	0	0	81,902	2,364,661
Instructional Staff	2,284,722	0	0	288,191	2,572,913
Board of Education	1,117	0	0	225	1,342
Administration	2,589,638	0	0	103,951	2,693,589
Fiscal	984,521	0	0	0	984,521
Business	280,150	0	0	0	280,150
Operation and Maintenance of Plant	3,485,862	0	0	0	3,485,862
Pupil Transportation	3,147,406	0	0	0	3,147,406
Central	89,338	0	0	72,335	161,673
Operation of Non-Instructional Services	0	0	0	666,651	666,651
Extracurricular Activities	694,889	0	0	668,837	1,363,726
Operation of Food Services	0	0	0	873,448	873,448
Capital Outlay	16,604	0	3,658,191	404,297	4,079,092
Debt Service:					
Principal Retirement	88,518	2,225,000	0	0	2,313,518
Interest and Fiscal Charges	11,551	1,548,034	0	0	1,559,585
Bond Issuance Costs	0	165,194	0	0	165,194
<i>Total Expenditures</i>	<u>39,274,999</u>	<u>3,938,228</u>	<u>3,658,191</u>	<u>3,779,678</u>	<u>50,651,096</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>913,933</u>	<u>684,003</u>	<u>(3,570,394)</u>	<u>(470,022)</u>	<u>(2,442,480)</u>
<b>Other Financing Sources (Uses)</b>					
Bonds Issued	0	13,925,000	0	0	13,925,000
Sale of Capital Assets	200	0	0	0	200
Premium on Bonds	0	2,140,791	0	0	2,140,791
Payment to Refunded Bond Escrow Agent	0	(15,886,812)	0	0	(15,886,812)
Transfers In	0	0	0	185,000	185,000
Transfers Out	(185,000)	0	0	0	(185,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(184,800)</u>	<u>178,979</u>	<u>0</u>	<u>185,000</u>	<u>179,179</u>
<i>Net Change in Fund Balances</i>	729,133	862,982	(3,570,394)	(285,022)	(2,263,301)
<i>Fund Balances Beginning of Year</i>	<u>6,473,986</u>	<u>2,815,390</u>	<u>8,671,442</u>	<u>996,763</u>	<u>18,957,581</u>
<i>Fund Balances End of Year</i>	<u>\$7,203,119</u>	<u>\$3,678,372</u>	<u>\$5,101,048</u>	<u>\$711,741</u>	<u>\$16,694,280</u>

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2004*

**Net Change in Fund Balances - Total Governmental Funds** (\$2,263,301)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost are allocated over their useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Asset Additions	4,778,466	
Current Year Depreciation	(1,611,535)	
<b>Total</b>		3,166,931

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

Delinquent Property Taxes	(410,577)	
Grants	(52,500)	
<b>Total</b>		(463,077)

Other financing sources in the governmental funds increased long-term liabilities in the statement of net assets. Governmental funds report the effect of premiums when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities.

Bonds Issued	(13,925,000)	
Premium on Bonds	(2,140,791)	
<b>Total</b>		(16,065,791)

Issuance costs are reported as an expenditure when paid in the governmental funds, but is deferred and amortized on the statement of activities. This is the unamortized issuance costs on bonds.

165,194

Repayment of bond and capital lease principal is an expenditure and payment to refunding bond escrow agent is an other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bond and Capital Lease Principal	2,313,518	
Payment to Refunded Bond Escrow Agent	15,886,812	
<b>Total</b>		18,200,330

In the statement of activities, interest accrued on outstanding bonds and bond accretion, bond premium, bond issuance costs and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds expenditure is reported when the bonds are issued.

Accrued Interest	26,517	
Annual Accretion	(31,039)	
Amortization of Loss on Refunding	(37,015)	
Amortization of Issuance Costs	(8,207)	
Amortization of Premium on Bonds	47,539	
<b>Total</b>		(2,205)

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(618,158)	
Pension Obligation	(501,083)	
<b>Total</b>		(1,119,241)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statements of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(144,440)

*Change in Net Assets of Governmental Activities*

\$1,474,400

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$30,459,311	\$30,030,497	\$30,808,986	\$778,489
Intergovernmental	6,972,294	6,874,137	7,053,242	179,105
Interest	204,400	201,522	207,656	6,134
Tuition and Fees	81,602	80,910	82,583	1,673
Rentals	60,563	59,710	60,121	411
Charges for Services	18,926	18,659	19,432	773
Miscellaneous	54,665	53,439	54,592	1,153
<i>Total Revenues</i>	<u>37,851,761</u>	<u>37,318,874</u>	<u>38,286,612</u>	<u>967,738</u>
<b>Expenditures</b>				
Current				
Instruction				
Regular	21,147,659	21,082,208	20,290,355	791,853
Special	3,107,938	3,100,146	2,966,545	133,601
Vocational	429,545	465,631	458,148	7,483
Support Services				
Pupils	2,609,867	2,655,801	2,454,586	201,215
Instructional Staff	2,080,490	2,240,524	2,203,881	36,643
Board of Education	24,600	22,910	21,794	1,116
Administration	2,674,782	2,650,898	2,557,409	93,489
Fiscal	1,040,453	1,067,168	1,032,942	34,226
Business	391,448	400,936	393,507	7,429
Operation and Maintenance of Plant	3,666,016	3,691,429	3,588,978	102,451
Pupil Transportation	3,237,319	3,267,975	3,166,237	101,738
Central	120,522	121,257	111,086	10,171
Extracurricular Activities	720,324	731,657	693,325	38,332
Capital Outlay	81,088	55,574	11,491	44,083
<i>Total Expenditures</i>	<u>41,332,051</u>	<u>41,554,114</u>	<u>39,950,284</u>	<u>1,603,830</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,480,290)</u>	<u>(4,235,240)</u>	<u>(1,663,672)</u>	<u>2,571,568</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	200	200
Advances In	0	0	47,290	47,290
Transfers Out	(510,000)	(287,937)	(185,000)	102,937
Advances Out	(50,000)	(50,000)	(29,890)	20,110
<i>Total Other Financing Sources (Uses)</i>	<u>(560,000)</u>	<u>(337,937)</u>	<u>(167,400)</u>	<u>170,537</u>
<i>Net Change in Fund Balance</i>	<u>(4,040,290)</u>	<u>(4,573,177)</u>	<u>(1,831,072)</u>	<u>2,742,105</u>
<i>Fund Balance Beginning of Year</i>	5,507,404	5,507,404	5,507,404	0
Prior Year Encumbrances Appropriated	2,196,502	2,196,502	2,196,502	0
<i>Fund Balance End of Year</i>	<u>\$3,663,616</u>	<u>\$3,130,729</u>	<u>\$5,872,834</u>	<u>\$2,742,105</u>

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Statement of Fund Net Assets*  
*Internal Service Fund*  
*June 30, 2004*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	\$1,151,773
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**Liabilities**

Claims Payable	<u>876,899</u>
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**Net Assets**

Unrestricted	<u><u>\$274,874</u></u>
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See accompanying notes to the basic financial statements

**Westlake City School District**  
*Statement of Revenues*  
*Expenses and Changes in Fund Net Assets*  
*Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2004*

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<b>Operating Revenues</b>	
Charges for Services	<u>\$4,486,955</u>
<b>Operating Expenses</b>	
Purchased Services	605,928
Claims	<u>4,025,467</u>
<i>Total Operating Expenses</i>	<u>4,631,395</u>
<i>Operating Loss</i>	(144,440)
<i>Net Assets Beginning of Year</i>	<u>419,314</u>
<i>Net Assets End of Year</i>	<u><u>\$274,874</u></u>

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Statement of Cash Flows*  
*Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2004*

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***Increase (Decrease) in Cash and Cash Equivalents***

**Cash Flows from Operating Activities**

Cash Received from Interfund Services	\$4,486,955
Cash Payments for Goods and Services	(605,928)
Cash Payments for Claims	<u>(3,668,362)</u>

*Net Increase in Cash and Cash Equivalents* 212,665

*Cash and Cash Equivalents Beginning of Year* 939,108

*Cash and Cash Equivalents End of Year* \$1,151,773

**Reconciliation of Operating Loss to Net Cash  
Provided by Operating Activities**

Operating Loss	(\$144,440)
Increase in Claims Payable	<u>357,105</u>

*Net Cash Provided by Operating Activities* \$212,665

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2004*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$27,415	\$190,619
<b>Liabilities</b>		
Accounts Payable	0	\$2,846
Due to Students	0	187,773
<i>Total Liabilities</i>	0	\$190,619
<b>Net Assets</b>		
Held in Trust for Scholarships	\$27,415	

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2004*

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	<u>Scholarship</u>
<b>Additions</b>	
Interest	\$289
<b>Deductions</b>	
	<u>0</u>
<i>Change in Net Assets</i>	289
<i>Net Assets Beginning of Year</i>	<u>27,126</u>
<i>Net Assets End of Year</i>	<u><u>\$27,415</u></u>

See accompanying notes to the basic financial statements

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**Note 1 - Description of the School District and Reporting Entity**

Westlake City School District (the School 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 School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and federal agencies.

The School District is located in Westlake, Ohio, Cuyahoga County. The Board of Education controls the School District's seven instructional/support facilities staffed by 234 classified employees, 271 certificated full-time teaching personnel and 19 administrators who provide services to 3,917 students and other community members.

*Reporting Entity*

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Westlake City School District, this includes general operations, food service and student related activities of the School District.

**Nonpublic Schools** Within the School 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 School District on behalf of the non-public schools by the Treasurer of the School District, as directed by the non-public schools. These transactions are reported as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District has no component units.

The School District participates in the Lake Erie Educational Computer Association (LEECA) and the Ohio Schools Council Association, jointly governed organizations, and is associated with the Porter Public Library, a related organization. These organizations are presented in Notes 18 and 19 to the basic financial statements.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the Westlake City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

***A. Basis of Presentation***

The School 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 School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, within certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which governmental function is self-financing or draws from the general revenues of the School District.

***Fund Financial Statements*** During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

***B. Fund Accounting***

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the School District are divided into three categories: governmental, proprietary and fiduciary.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 School 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.

**Building Capital Projects Fund** The building fund is used for property taxes levied to be used for various capital improvements within the School District.

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

**Proprietary Fund Type** Proprietary funds focus on the determination of operating income, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The School District has only an internal service fund.

**Internal Service Fund** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District utilizes an internal service fund to account for the operation of the School District's self insurance program for employee health benefits, as well as prescription drug and dental claims.

**Fiduciary Fund Type** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School 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 School District's only agency fund reports resources belonging to the student bodies of the various schools.

### **C. Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide 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.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund activity.

The private purpose trust fund is reported using the economic resources measurement focus. All assets and liabilities associated with the operation of this fund are included on the statement of fiduciary net assets. The statement of changes in fiduciary net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net assets.

***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. 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 School District, available means expected to be received within sixty days of fiscal year-end.

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

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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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, fees and rentals.

***Deferred Revenue*** Deferred revenue arises 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, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

***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 Data***

All funds, other than the agency fund, 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 set 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 within each fund and function.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School 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 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 fiscal year with the restriction that appropriations may not exceed estimated revenues by fund. 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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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***F. Cash and Cash Equivalents***

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The School District utilizes financial institutions to handle retainage accounts. The balance in these accounts is presented as cash and cash equivalents with escrow agent".

During fiscal year 2004, the School District's investments were limited to certificates of deposit, Federal National Mortgage Association Bonds, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Mortgage Corporation Bonds and STAROhio.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2004.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating contracts such as certificate of deposits and repurchase agreements are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2004 amounted to \$187,923, which includes \$75,550 assigned from other School District funds.

Investments of the cash management pool and investments with maturity of three months or less at the time they are purchased by the School District are reported as cash equivalents.

***G. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expensed/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 School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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 School District maintains a capitalization threshold of one thousand dollars. The School 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.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
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 Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental column of 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-wide 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 employees' 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.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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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 School District's past experience of making termination payments.

***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 from the internal service fund 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 contractually required pension contributions 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 fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

***O. Interfund Activity***

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***P. Fund Balance Reserves***

The School 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 and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

***Q. Net Assets***

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

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

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions 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.

***T. Estimates***

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

**Note 3 - Accountability and Compliance**

***A. Accountability***

At June 30, 2004, the following funds had a deficit fund balance/net assets:

<b>Special Revenue Funds</b>	<b><u>Deficit</u></b>
Food Service	\$40,983
Community Education	15,504
Student Reading Intervention	227
Early Childhood Education Development	303

The deficits are due to adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
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**B. Compliance**

Contrary to section 5705.39, Ohio Revised Code, the following funds had original appropriations in excess of estimated original resources plus the carryover balance.

	Revenues Plus Carryover Balance	Appropriations	Excess
<b>Special Revenue</b>			
Auxiliary Services	\$580,791	\$622,871	\$42,080
Student Reading Intervention	10,288	57,155	46,867
Class Size Reduction Grant	79,848	90,436	10,588
<b>Debt Service</b>			
Bond Retirement Fund	6,774,822	20,132,301	13,357,479
<b>Capital Projects Fund</b>			
Permanent Improvement	823,991	848,527	24,536

Contrary to Ohio Revised Code Section 5705.39, the following funds had final appropriations in excess of estimated final resources plus the carryover balance:

	Revenues Plus Carryover Balance	Appropriations	Excess
<b>Debt Service</b>			
Bond Retirement Fund	\$6,707,183	\$20,132,301	\$13,425,118
<b>Capital Projects Fund</b>			
Permanent Improvement	500,780	823,527	322,747

Contrary to section 5705.41, Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations.

	Final Appropriations	Expenditures and Encumbrances	Excess
<b>Special Revenue Funds</b>			
Public School Support			
Operation of Non-Instructional Services:			
Community Services			
Materials and Supplies	\$2,600	\$3,782	(\$1,182)
Extracurricular Activities			
School and Public Service Co-Curricular Activities			
Materials and Supplies	341,204	379,766	(38,562)

Although these budgetary violations were not corrected by fiscal year-end, management has indicated that appropriations will be closely monitored to ensure no future violations.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
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**Note 4 - Budgetary Basis of Accounting**

While the School District is 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, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual 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 GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$729,133
Net Adjustment for Revenue Accruals	(1,922,053)
Advance In	47,290
Beginning Fair Value Adjustment for Investments	11,338
Ending Fair Value Adjustment for Investments	8,395
Net Adjustment for Expenditure Accruals	1,017,845
Advance Out	(29,890)
Adjustment for Encumbrances	<u>(1,693,130)</u>
Budget Basis	<u><u>(\$1,831,072)</u></u>

**Note 5 - Deposits and Investments**

State statutes classify monies held by the School 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 School District treasury, in commercial accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
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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 monies 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.

Protection of School 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.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bill, Bonds, Notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of 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, 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 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 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 division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days 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 rating classifications by at least two nationally recognized rating agencies.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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 School 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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No.3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

**Deposits** At fiscal year end, the carrying amount of the School District's deposits was \$1,285,903 and the bank balance was \$2,115,424. Of the bank balance:

1. \$231,844 was covered by depository insurance; and
2. \$1,883,580 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution the pledging institution's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Investments** Investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAROhio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying and Fair Value
Federal National Mortgage Association Bonds	\$7,267,160	\$7,267,160
Federal Home Loan Mortgage Corporation Notes	4,873,161	4,873,161
Federal Home Loan Mortgage Corporation Bonds	3,466,897	3,466,897
STAROhio	0	2,242,627
Total	\$15,607,218	\$17,849,845

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$19,135,748	\$0
Investments which are part of the cash management pool:		
Federal National Mortgage Association Bonds	(7,267,160)	7,267,160
Federal Home Loan Mortgage Corporation Notes	(4,873,161)	4,873,161
Federal Home Loan Mortgage Corporation Bonds	(3,466,897)	3,466,897
STAROhio	(2,242,627)	2,242,627
	\$1,285,903	\$17,849,845
GASB Statement No. 3	\$1,285,903	\$17,849,845

**Note 6 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School 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 School District. Real property tax revenue received in calendar year 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 become a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 with real property taxes. Public utility real property is assessed are 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 year 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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 School District prior to June 30.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2004, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2004 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 were 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.

The amount available as an advance at June 30, 2004 was \$5,054,641 in the general fund and \$717,806 in the bond retirement debt service fund. The amount available as an advance at June 30, 2003, was \$2,981,289 in the general fund and \$419,480 in the bond retirement debt service fund. The difference was in the timing and collection by the County Auditor.

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 2004 taxes were collected are:

	2003 Second Half Collection		2004 First Half Collection	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,092,555,030	91.90 %	\$1,181,766,920	92.93 %
Public Utility Personal	22,213,040	1.87	22,652,240	1.78
Tangible Personal Property	74,078,302	6.23	67,303,512	5.29
Total	<u>\$1,188,846,372</u>	<u>100.00 %</u>	<u>\$1,271,722,672</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$61.20		\$61.00	

**Note 7 - Receivables**

Receivables at June 30, 2004, consisted of taxes, accounts (rent, student fees and tuition), intergovernmental grants, and interest. 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. All receivables are expected to be collected within one year.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
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A summary of principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Food Service Subsidies	\$8,623
City of Westlake Legal Fees	5,394
Miscellaneous	1,400
Early Childhood Education Development Grant	1,162
Total Governmental Activities	\$16,579

**Note 8 – Interfund Balances and Transfers**

Interfund balances at June 30, 2004, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable General Fund
<b><i>Governmental Activities</i></b>	
<b>Nonmajor Funds</b>	
Food Service	\$23,000
Community Education	23,900
Athletic and Music	207
<i>Total Governmental Activities</i>	\$47,107

The interfund payables are advances for grant monies that were not received by fiscal year end and were for support to programs and projects in the special revenue funds.

Transfers made during fiscal year 2004 were \$60,000 to the athletics and music special revenue fund and \$125,000 to the permanent improvement capital projects fund from the general fund. General fund transfers are made to cover the operations of the noted funds.

Transfers To	Transfers From General Fund
<b><i>Governmental Activities</i></b>	
<b>Nonmajor Funds</b>	
Athletic and Music	\$60,000
Permanent Improvements	125,000
<i>Total Governmental Activities</i>	\$185,000

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Balance 6/30/2003	Additions	Deductions	Balance 6/30/2004
<b>Governmental Activities</b>				
<b>Nondepreciable Capital Assets</b>				
Land	\$2,468,751	\$0	\$0	\$2,468,751
Construction in Progress	0	3,830,296	0	3,830,296
<i>Total Nondepreciable Capital Assets</i>	<u>2,468,751</u>	<u>3,830,296</u>	<u>0</u>	<u>6,299,047</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	73,051	10,000	0	83,051
Building and Improvements	44,965,221	241,589	0	45,206,810
Furniture and Equipment	5,481,580	184,283	0	5,665,863
Vehicles	3,717,754	205,148	(166,013)	3,756,889
Textbooks and Library Books	1,377,730	307,150	0	1,684,880
<i>Total Capital Assets, being depreciated</i>	<u>55,615,336</u>	<u>948,170</u>	<u>(166,013)</u>	<u>56,397,493</u>
Less Accumulated Depreciation				
Land Improvements	(4,289)	(2,722)	0	(7,011)
Building and Improvements	(11,249,157)	(774,850)	0	(12,024,007)
Furniture and Equipment	(3,706,964)	(333,088)	0	(4,040,052)
Vehicles	(1,672,314)	(287,777)	166,013	(1,794,078)
Textbooks and Library Books	(956,039)	(213,098)	0	(1,169,137)
<i>Total Accumulated Depreciation</i>	<u>(17,588,763)</u>	<u>(1,611,535) *</u>	<u>166,013</u>	<u>(19,034,285)</u>
<i>Total Capital Assets, being depreciated, Net</i>	<u>38,026,573</u>	<u>(663,365)</u>	<u>0</u>	<u>37,363,208</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$40,495,324</u>	<u>\$3,166,931</u>	<u>\$0</u>	<u>\$43,662,255</u>

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$873,996
Special	76,146
Vocational	7,523
Support Services:	
Pupils	78,869
Instructional Staff	92,508
Administration	50,167
Fiscal	8,149
Business	4,658
Operation and Maintenance of Plant	63,405
Pupil Transportation	295,647
Central	3,387
Operation of Non-Instructional Activities	26,332
Extracurricular Activities	29,190
Food Service Operations	1,558
Total Depreciation Expense	<u>\$1,611,535</u>

## **Note 10 - Risk Management**

### ***A. Property and Liability***

The School 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. During fiscal year 2004, the School 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 \$1,000 deductible for comprehensive and a \$1,000 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.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
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***B. Worker's Compensation***

The School 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.

***C. Employee Medical Benefits***

The School District has elected to provide employee medical, surgical, prescription drug, vision and dental benefits through a minimum premium or self-funded program. The School District maintains a self-insurance internal service fund to account for and finance this program. Employees may choose between two comprehensive major medical plans for medical/surgical insurance. One plan does not restrict the employee's choice of physician or hospital. Claims are 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 is a Preferred Provider Organization for both physicians and hospitals. Claims are subject to a \$100 single and \$200 family first dollar deductible. The dental/vision benefits are subject to certain deductibles, co-pays and maximum benefits as are outlined in the plan. The prescription drug plan utilizes a \$2 deductible per prescription for generic drug and a \$5 deductible per prescription for brand name drugs for the classified staff. The certified staff is afforded a \$5 deductible for generic and \$10 deductible for brand name.

Bridge Benefits, the third-party administrator, administers the plan and reviews all claims which are paid by the School District. The School District pays into the self-insurance internal service fund \$855.74 for family coverage and \$337.29 for single coverage per month which represents the entire premium required. The premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

The School District maintains stop-loss coverage for its medical insurance program. Aggregate stop loss is maintained at 110 percent of expected claims. The aggregate stop-loss was not met in 2004. Under the new cooperative arrangement, the district maintains a \$150,000 specific and aggregate stop-loss based upon an appropriate attachment point. The third-party administrator provides claim review and processing for the medical insurance program as well.

The claims liability of \$876,899 reported in the self-insurance fund at June 30, 2004, 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:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2003	\$482,120	\$3,471,074	\$3,433,400	\$519,794
2004	519,794	4,025,467	3,668,362	876,899

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
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**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 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 20 days of vacation annually. 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, all employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 224 days.

***B. Insurance Benefits***

The School District provides term life insurance and accidental death and dismemberment insurance to most employees through Anthem Life Insurance, in the amount of \$40,000 or \$25,000 for all certified employees depending upon full and part time teaching, \$40,000 or \$25,000 for all noncertified employees depending upon the number of years each employee worked, and \$60,000 for each administrator except the superintendent and treasurer which are \$100,000.

**Note 12 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System of Ohio (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 (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations; for fiscal year 2003, 8.17 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 School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$549,708, \$463,102, and \$229,239 respectively; 87.63 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
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***B. State Teachers Retirement System***

The School 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.

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, 2004, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2003, 9.3 percent was the portion used to fund pension obligations. 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 School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$2,440,061, \$2,345,414, and \$1,646,470, respectively; 65.75 percent has been contributed for fiscal year 2004 and 100 percent for fiscal years 2003 and 2002. Contributions to the DC and Combined Plans for fiscal year 2004 were \$29,329 made by the School District and \$41,086 made by the plan members.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
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**Note 13- Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified 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 on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most 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 funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$187,697 for fiscal year 2004.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, (the latest information available) the balance in the Fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000 and STRS had 108,294 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. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

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, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll, a decrease of .92 percent from fiscal year 2003. 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 2004, the minimum pay was established at \$25,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2004 fiscal year equaled \$602,735.

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 annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

**Note 14 – Long Term Obligations**

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

Debt Issue	Original Issue Date	Original Issue Amount	Interest Rate	Date of Maturity
<b>General Obligation Bonds:</b>				
Additions to Facilities	1986	\$5,050,000	7.25%	December 1, 2004
School Improvements	1997	2,500,000	5.08%	December 1, 2016
School Improvements	1997	24,450,000	5.51%	December 1, 2017
Library Improvements	1998	7,250,000	5.51%	December 1, 2016
School Improvements	2003	8,700,000	4.37%	December 1, 2027
School Improvements Refunding	2004	13,925,000	2.0-15.4%	December 1, 2016

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 06/30/03	Additions	Reductions	Outstanding Balance 06/30/04	Amounts Due in One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds:</b>					
Additions to Facility	\$560,000	\$0	(\$280,000)	\$280,000	\$280,000
School Improvements	2,000,000		(1,700,000)	300,000	100,000
School Improvements	19,125,000	0	(13,595,000)	5,530,000	1,410,000
Library Improvements	5,980,000	0	(355,000)	5,625,000	390,000
School Improvements Serial Bonds	8,700,000	0	(220,000)	8,480,000	240,000
Unamortized Premium	171,520	0	(7,147)	164,373	0
<b>School Improvements Refunding</b>					
Serial Bonds	0	13,200,000	0	13,200,000	470,000
Unamortized Premium	0	269,425	(5,083)	264,342	0
Capital Appreciation Bonds	0	725,000	0	725,000	0
Accretion on Capital Appreciation Bonds	0	31,039	0	31,039	0
Unamortized Premium	0	1,871,366	(35,309)	1,836,057	0
Deferred Loss on Refunding	0	(1,961,812)	37,015	(1,924,797)	0
<b>Total General Obligation Bonds</b>	<b>36,536,520</b>	<b>14,135,018</b>	<b>(16,160,524)</b>	<b>34,511,014</b>	<b>2,890,000</b>
Capital Leases	184,385	0	(88,518)	95,867	95,867
Compensated Absences	2,816,761	781,709	(163,551)	3,434,919	1,088,605
<b>Total Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<b><u>\$39,537,666</u></b>	<b><u>\$14,916,727</u></b>	<b><u>(\$16,412,593)</u></b>	<b><u>\$38,041,800</u></b>	<b><u>\$4,074,472</u></b>

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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, interdistrict summer school, community education, auxiliary services, educational management information systems, adult basic education, title vi-b and early childhood educational development special revenue funds. Capital lease obligations will be paid from the general fund.

In 1998, the School District issued bonds for renovations at the Porter Public Library in the amount of \$7,250,000 which matures on December 1, 2016. According to the Ohio Revised Code, the School District is allowed to issue tax related debt for the Library. This debt is not included in the School District's calculation of investments in capital assets, net of related debt since the capital assets are not owned by the District.

On March 1, 2003, the School 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.

On March 15, 2004, the School 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 as follows:

	School Improvements	School Improvements	Total
Outstanding at June 30, 2003	\$2,000,000	\$19,125,000	\$21,125,000
Amount Refunded	(1,600,000)	(12,325,000)	(13,925,000)
Non-Refunded Portion	400,000	6,800,000	7,200,000
Principal Payment on Non-Refunded Portion	(100,000)	(1,270,000)	(1,370,000)
Outstanding at June 30, 2004	\$300,000	\$5,530,000	\$5,830,000

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 refunded portion of these bonds has been removed from the basic financial statements.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,961,812. This difference, reported as a deduction from bonds payable, is being charged to interest through fiscal year 2017. The School District decreased its total debt service payments by \$758,814 as a result of the current refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$616,830.

The serial bonds were issued for a 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. The final amount of capital appreciation of the bonds will be \$4,305,000. For fiscal year 2004, \$31,039 was accreted. The bonds are being retired from the bond retirement fund.

The 2004 school improvements refunding bonds are not subject to redemption prior to stated maturity.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2004

The overall debt margin of the School District as of June 30, 2004, was \$83,993,412 with an unvoted debt margin of \$1,271,723. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2004, are as follows:

Fiscal Year Ending June, 30	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$2,890,000	\$1,323,684	\$0	\$0	\$2,890,000	\$1,323,684
2006	2,715,000	1,187,941	0	0	2,715,000	1,187,941
2007	2,960,000	1,043,066	0	0	2,960,000	1,043,066
2008	1,680,000	933,854	0	0	1,680,000	933,854
2009	1,800,000	877,495	0	0	1,800,000	877,495
2010 to 2014	11,080,000	3,415,898	0	0	11,080,000	3,415,898
2015 to 2019	5,770,000	1,509,981	725,000	3,580,000	6,495,000	5,089,981
2020 to 2024	2,290,000	804,994	0	0	2,290,000	804,994
2025 to 2029	2,230,000	230,000	0	0	2,230,000	230,000
Total	<u>\$33,415,000</u>	<u>\$11,326,913</u>	<u>\$725,000</u>	<u>\$3,580,000</u>	<u>\$34,140,000</u>	<u>\$14,906,913</u>

**Note 15 - Capital Leases**

During the prior fiscal years, the School District entered into several lease agreements for copiers. The School 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:

<b>Governmental Activities</b>	
<b>Capital Assets, being depreciated:</b>	
Furniture and Equipment	\$411,282
<b>Less Accumulated Depreciation:</b>	
Furniture and Equipment	<u>(329,025)</u>
<i>Total Capital Assets, being depreciated, net</i>	<u><u>\$82,257</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, 2004.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2005	\$100,071
Less: Amount Representing Interest	<u>(4,204)</u>
Present Value of Minimum Lease Payments	<u><u>\$95,867</u></u>

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

**Note 16 - Set Asides**

The School 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 fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set aside money for budget stabilization.

The following cash basis information describes the change in the fiscal year end set aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	Textbooks Instructional Materials Reserve	Capital Improvements Reserve
	<u>                    </u>	<u>                    </u>
Set-aside Reserve Balance as of June 30, 2003	(\$666,273)	\$0
Current Year Set-aside Requirement	545,324	545,324
Qualifying Disbursements	<u>(995,102)</u>	<u>(928,223)</u>
Total	<u>(\$1,116,051)</u>	<u>(\$382,899)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$1,116,051)</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2004	<u>\$0</u>	<u>\$0</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years. Although the School District had qualifying disbursements 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 for future years. This negative balance is therefore not presented as being carried forward to future years.

**Note 17 – Contractual Commitments**

As of June 30, 2004, the School District had the following contractual commitments:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount paid as of 6/30/04</u>	<u>Amount Remaining on Contract</u>
Van Dijk, Westlake, Reed	\$544,515	\$453,628	\$90,887
Turner Construction	103,943	87,689	16,254
Summit Construction	5,132,048	1,559,963	3,572,085
Fortney-Weygandt	1,518,304	478,376	1,039,928
Castle Heating and Air	<u>862,604</u>	<u>32,772</u>	<u>829,832</u>
Total	<u>\$8,161,414</u>	<u>\$2,612,428</u>	<u>\$5,548,986</u>

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**Note 18 - Jointly Governed Organizations**

***A. 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 districts is limited to its representation on the Board. The Westlake City School District paid \$32,464 to LEECA in fiscal year 2004. 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.

***B. 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 2004, the School District paid \$3,249 to the Council. 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 School 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 payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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 that participant to Energy Acquisition Corp.

The School 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.

**Westlake City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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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.

**Note 19 - Related Organization**

The Porter Public 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 School District for operational subsidies. Although the School 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.

**Note 20 – State School Funding Decision**

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 School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

**Note 21 - Contingencies**

***A. Grants***

The School District received financial assistance from federal and state 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 general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2004.

***B. Litigation***

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

*Combining Statements and  
Individual Fund Schedules*

## *Fund Descriptions – Nonmajor Governmental Funds*

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### *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 School District's special revenue funds follows:

*Food Service Fund* - This fund accounts for the financial transactions related to the food service operations of the School 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 School 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 School 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 School District.

*Career Education Program Fund* - This fund accounts for State monies provided to make special education students aware of career opportunities.

*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 School District.

*(continued)*

## ***Combining Statements – Nonmajor Governmental Funds***

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### ***Nonmajor Special Revenue Funds (continued)***

*Data Communications Support Fund* - This fund accounts for State monies received to provide 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.

*Student Reading Intevention Fund* - This fund accounts for monies that improve reading outcomes on the reading proficiency test for students.

*Safe Schools Help Line Fund* - This fund accounts for State monies provided to educate students on proper social behavior.

*Entry Year Planning Fund* - This fund accounts for State monies used to mentor new teachers into the School District.

*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.

*Eisenhower Math and Science Fund* - This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning, and to increase the access of all students to that instruction.

*Title VI-B 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.

*Title III* - This fund accounts for for federal monies used for costs associated with English proficiency.

*Energy Audit Fund* - This fund accounts for State monies used for energy efficient studies to make the School District more energy efficient.

*Title I Fund* - This fund accounts for federal monies used to assist the School District in meeting the special needs of educationally deprived children.

*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 development.

*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.

*(continued)*

***Combining Statements – Nonmajor Governmental Funds***

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***Nonmajor Special Revenue Funds (continued)***

*E-Rate Grant Fund* – This fund accounts for federal funds which support the telecommunications activities within the School District.

*Class Size Reduction Grant Fund* - This fund accounts for various monies to hire additional classroom teachers, so that the number of students per teacher will be reduced.

*Miscellaneous Federal Grants Fund* - This fund accounts for federal funds to improve the maintenance to the school buildings.

***Nonmajor Capital Projects Fund***

Capital Projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust funds.

*Permanent Improvement Fund* - This fund accounts for monies to be used for various improvements to the buildings within the School District.

**Westlake City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2004*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$921,185	\$98,990	\$1,020,175
Accounts Receivable	26	0	26
Intergovernmental Receivable	9,785	0	9,785
Inventory Held for Resale	4,257	0	4,257
Materials and Supplies Inventory	628	0	628
<i>Total Assets</i>	<u>\$935,881</u>	<u>\$98,990</u>	<u>\$1,034,871</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$57,858	\$23,311	\$81,169
Accrued Wages and Benefits	74,291	0	74,291
Interfund Payable	47,107	0	47,107
Intergovernmental Payable	120,563	0	120,563
<i>Total Liabilities</i>	<u>299,819</u>	<u>23,311</u>	<u>323,130</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	68,214	75,506	143,720
Unreserved			
Undesignated, Reported in:			
Special Revenue Funds	567,848	0	567,848
Capital Projects Funds	0	173	173
<i>Total Fund Balances</i>	<u>636,062</u>	<u>75,679</u>	<u>711,741</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$935,881</u>	<u>\$98,990</u>	<u>\$1,034,871</u>

**Westlake City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2004*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$1,503,017	\$0	\$1,503,017
Interest	1,912	1,877	3,789
Tuition and Fees	653,111	0	653,111
Extracurricular Activities	289,239	0	289,239
Charges for Services	755,888	0	755,888
Contributions and Donations	84,224	0	84,224
Miscellaneous	20,388	0	20,388
<i>Total Revenues</i>	<u>3,307,779</u>	<u>1,877</u>	<u>3,309,656</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	145,489	0	145,489
Special	409,566	0	409,566
Adult/Continuing	64,786	0	64,786
Support Services:			
Pupils	81,902	0	81,902
Instructional Staff	288,191	0	288,191
Board of Education	225	0	225
Administration	103,951	0	103,951
Central	72,335	0	72,335
Operation of Non-Instructional Services	666,651	0	666,651
Extracurricular Activities	668,837	0	668,837
Operation of Food Services	873,448	0	873,448
Capital Outlay	0	404,297	404,297
<i>Total Expenditures</i>	<u>3,375,381</u>	<u>404,297</u>	<u>3,779,678</u>
<i>Excess of Revenues Under Expenditures</i>	(67,602)	(402,420)	(470,022)
<b>Other Financing Sources</b>			
Transfers In	60,000	125,000	185,000
<i>Net Change in Fund Balances</i>	(7,602)	(277,420)	(285,022)
<i>Fund Balances Beginning of Year</i>	<u>643,664</u>	<u>353,099</u>	<u>996,763</u>
<i>Fund Balances End of Year</i>	<u><u>\$636,062</u></u>	<u><u>\$75,679</u></u>	<u><u>\$711,741</u></u>

**Westlake City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2004*

	Food Service	Local Grants	Uniform School Supplies	Interdistrict Summer School
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$14,708	\$38,250	\$6,996	\$86,826
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	8,623	0	0	0
Inventory Held for Resale	4,257	0	0	0
Materials and Supplies Inventory	628	0	0	0
<i>Total Assets</i>	<u>\$28,216</u>	<u>\$38,250</u>	<u>\$6,996</u>	<u>\$86,826</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	38,183	0	0	0
Interfund Payable	23,000	0	0	0
Intergovernmental Payable	8,016	0	0	17,218
<i>Total Liabilities</i>	<u>69,199</u>	<u>0</u>	<u>0</u>	<u>17,218</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	5,835	500	0	0
Unreserved, Undesignated (Deficit)	(46,818)	37,750	6,996	69,608
<i>Total Fund Balances (Deficit)</i>	<u>(40,983)</u>	<u>38,250</u>	<u>6,996</u>	<u>69,608</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$28,216</u>	<u>\$38,250</u>	<u>\$6,996</u>	<u>\$86,826</u>

Community Education	Public School Support	Professional Development Grant	Athletic and Music	Auxiliary Services	Career Education Program
\$40,246	\$186,973	\$10,079	\$175,468	\$155,838	\$157
0	26	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$40,246</u>	<u>\$186,999</u>	<u>\$10,079</u>	<u>\$175,468</u>	<u>\$155,838</u>	<u>\$157</u>
\$2,293	\$320	\$0	\$9,229	\$17,166	\$0
9,448	0	0	0	19,938	0
23,900	0	0	207	0	0
20,109	0	0	180	4,180	0
<u>55,750</u>	<u>320</u>	<u>0</u>	<u>9,616</u>	<u>41,284</u>	<u>0</u>
5,167	4,208	0	2,705	31,515	0
(20,671)	182,471	10,079	163,147	83,039	157
<u>(15,504)</u>	<u>186,679</u>	<u>10,079</u>	<u>165,852</u>	<u>114,554</u>	<u>157</u>
<u>\$40,246</u>	<u>\$186,999</u>	<u>\$10,079</u>	<u>\$175,468</u>	<u>\$155,838</u>	<u>\$157</u>

(continued)

**Westlake City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2004*

	Educational Management Information Systems	Entry Year Programs	Data Communications Support	School Net Professional Development
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$22,056	\$3,619	\$27,219	\$2,246
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$22,056</u>	<u>\$3,619</u>	<u>\$27,219</u>	<u>\$2,246</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$938	\$7,800	\$0
Accrued Wages and Benefits	615	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	360	81	0	0
<i>Total Liabilities</i>	<u>975</u>	<u>1,019</u>	<u>7,800</u>	<u>0</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	2,680	4,667	0
Unreserved, Undesignated (Deficit)	21,081	(80)	14,752	2,246
<i>Total Fund Balances (Deficit)</i>	<u>21,081</u>	<u>2,600</u>	<u>19,419</u>	<u>2,246</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$22,056</u>	<u>\$3,619</u>	<u>\$27,219</u>	<u>\$2,246</u>

Student Reading Intervention	Adult Basic Education	Title VI-B	Energy Audit	Title V	Early Childhood Education Development
\$0	\$27,469	\$92,581	\$786	\$4,662	\$1,517
0	0	0	0	0	0
0	0	0	0	0	1,162
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$0</u>	<u>\$27,469</u>	<u>\$92,581</u>	<u>\$786</u>	<u>\$4,662</u>	<u>\$2,679</u>
\$0	\$0	\$8,612	\$0	\$0	\$0
0	0	3,726	0	0	2,381
0	0	0	0	0	0
227	5,460	63,818	0	83	601
227	5,460	76,156	0	83	2,982
0	0	1,132	0	4,600	0
(227)	22,009	15,293	786	(21)	(303)
(227)	22,009	16,425	786	4,579	(303)
<u>\$0</u>	<u>\$27,469</u>	<u>\$92,581</u>	<u>\$786</u>	<u>\$4,662</u>	<u>\$2,679</u>

(continued)

**Westlake City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2004*

	E-Rate Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,089	\$16,522	\$4,878	\$921,185
Accounts Receivable	0	0	0	26
Intergovernmental Receivable	0	0	0	9,785
Inventory Held for Resale	0	0	0	4,257
Materials and Supplies Inventory	0	0	0	628
<i>Total Assets</i>	<u>\$2,089</u>	<u>\$16,522</u>	<u>\$4,878</u>	<u>\$935,881</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$11,500	\$0	57,858
Accrued Wages and Benefits	0	0	0	74,291
Interfund Payable	0	0	0	47,107
Intergovernmental Payable	0	230	0	120,563
<i>Total Liabilities</i>	<u>0</u>	<u>11,730</u>	<u>0</u>	<u>299,819</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	4,000	1,205	68,214
Unreserved, Undesignated (Deficit)	2,089	792	3,673	567,848
<i>Total Fund Balances (Deficit)</i>	<u>2,089</u>	<u>4,792</u>	<u>4,878</u>	<u>636,062</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,089</u>	<u>\$16,522</u>	<u>\$4,878</u>	<u>\$935,881</u>

**Westlake City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2004*

	Food Service	Local Grants	Uniform School Supplies	Interdistrict Summer School
<b>Revenues</b>				
Intergovernmental	\$106,124	\$0	\$0	\$0
Interest	250	323	0	0
Tuition and Fees	0	0	15,939	75,885
Extracurricular Activities	0	0	0	0
Charges for Services	755,888	0	0	0
Contributions and Donations	0	10,199	0	0
Miscellaneous	4,628	0	0	0
<i>Total Revenues</i>	<u>866,890</u>	<u>10,522</u>	<u>15,939</u>	<u>75,885</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	1,851	12,785	82,043
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Board of Education	0	0	0	0
Administration	0	0	0	16,225
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	9,100	0	0
Operation of Food Services	873,448	0	0	0
<i>Total Expenditures</i>	<u>873,448</u>	<u>10,951</u>	<u>12,785</u>	<u>98,268</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,558)	(429)	3,154	(22,383)
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(6,558)	(429)	3,154	(22,383)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(34,425)</u>	<u>38,679</u>	<u>3,842</u>	<u>91,991</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$40,983)</u></u>	<u><u>\$38,250</u></u>	<u><u>\$6,996</u></u>	<u><u>\$69,608</u></u>

(continued)

**Westlake City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2004*

	Community Education	Public School Support	Professional Development Grant	Athletic and Music
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Interest	0	0	0	0
Tuition and Fees	314,571	246,716	0	0
Extracurricular Activities	0	134,774	0	154,465
Charges for Services	0	0	0	0
Contributions and Donations	0	44,426	0	29,599
Miscellaneous	0	1,882	750	13,128
<i>Total Revenues</i>	<u>314,571</u>	<u>427,798</u>	<u>750</u>	<u>197,192</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	47	0
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	699	0
Board of Education	0	225	0	0
Administration	87,315	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	239,665	2,543	0	0
Extracurricular Activities	0	383,772	0	275,965
Operation of Food Services	0	0	0	0
<i>Total Expenditures</i>	<u>326,980</u>	<u>386,540</u>	<u>746</u>	<u>275,965</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,409)	41,258	4	(78,773)
<b>Other Financing Sources</b>				
Transfers In	0	0	0	60,000
<i>Net Change in Fund Balances</i>	(12,409)	41,258	4	(18,773)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(3,095)</u>	<u>145,421</u>	<u>10,075</u>	<u>184,625</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$15,504)</u>	<u>\$186,679</u>	<u>\$10,079</u>	<u>\$165,852</u>

Auxiliary Services	Career Education Program	Educational Management Information Systems	Entry Year Programs	Data Communications Support	School Net Professional Development
\$493,313	\$0	\$14,176	\$7,700	\$21,000	\$4,140
1,339	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
494,652	0	14,176	7,700	21,000	4,140
0	0	0	0	0	5,602
0	0	0	0	0	0
0	0	0	0	0	0
0	860	0	0	0	0
0	0	0	5,100	0	836
0	0	0	0	0	0
0	0	0	0	0	0
0	0	13,570	0	58,765	0
390,461	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
390,461	860	13,570	5,100	58,765	6,438
104,191	(860)	606	2,600	(37,765)	(2,298)
0	0	0	0	0	0
104,191	(860)	606	2,600	(37,765)	(2,298)
10,363	1,017	20,475	0	57,184	4,544
\$114,554	\$157	\$21,081	\$2,600	\$19,419	\$2,246

(continued)

**Westlake City School District**

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*

*Nonmajor Special Revenue Funds (continued)*

*For the Fiscal Year Ended June 30, 2004*

	Ohio Reads Grant	Student Reading Intervention	Safe School Help Line	Entry Year Planning
<b>Revenues</b>				
Intergovernmental	\$7,000	\$57,155	\$0	\$0
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>7,000</u>	<u>57,155</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	(158)	0
Special	0	57,382	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	7,000	0	0	1,388
Board of Education	0	0	0	0
Administration	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Operation of Food Services	0	0	0	0
<i>Total Expenditures</i>	<u>7,000</u>	<u>57,382</u>	<u>(158)</u>	<u>1,388</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(227)	158	(1,388)
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	0	(227)	158	(1,388)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>(158)</u>	<u>1,388</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$227)</u>	<u>\$0</u>	<u>\$0</u>

Adult Basic Education	Eisenhower Math and Science	Title VI-B	Title III	Energy Audit	Title I
\$91,901	\$0	\$512,326	\$6,922	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
91,901	0	512,326	6,922	0	0
0	63	0	0	0	0
0	0	345,579	0	0	3,456
64,786	0	0	0	0	0
600	0	36,878	0	0	0
48,744	0	121,390	6,922	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	28,200	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
114,130	63	532,047	6,922	0	3,456
(22,229)	(63)	(19,721)	0	0	(3,456)
0	0	0	0	0	0
(22,229)	(63)	(19,721)	0	0	(3,456)
44,238	63	36,146	0	786	3,456
\$22,009	\$0	\$16,425	\$0	\$786	\$0

(continued)

**Westlake City School District**

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*

*Nonmajor Special Revenue Funds (continued)*

*For the Fiscal Year Ended June 30, 2004*

	Title V	Drug Free Schools Grant	Early Childhood Education Development	E-Rate Grant
<b>Revenues</b>				
Intergovernmental	\$24,910	\$11,090	\$17,472	\$0
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>24,910</u>	<u>11,090</u>	<u>17,472</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	1,490	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	10,313	16,962	0
Instructional Staff	20,775	0	0	0
Board of Education	0	0	0	0
Administration	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	3,813	777	0	0
Extracurricular Activities	0	0	0	0
Operation of Food Services	0	0	0	0
<i>Total Expenditures</i>	<u>24,588</u>	<u>11,090</u>	<u>18,452</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	322	0	(980)	0
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	322	0	(980)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>4,257</u>	<u>0</u>	<u>677</u>	<u>2,089</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,579</u></u>	<u><u>\$0</u></u>	<u><u>(\$303)</u></u>	<u><u>\$2,089</u></u>

Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$75,288	\$52,500	\$1,503,017
0	0	1,912
0	0	653,111
0	0	289,239
0	0	755,888
0	0	84,224
0	0	20,388
<u>75,288</u>	<u>52,500</u>	<u>3,307,779</u>
43,256	0	145,489
0	1,659	409,566
0	0	64,786
0	16,289	81,902
27,018	48,319	288,191
0	0	225
0	411	103,951
0	0	72,335
1,192	0	666,651
0	0	668,837
0	0	873,448
<u>71,466</u>	<u>66,678</u>	<u>3,375,381</u>
3,822	(14,178)	(67,602)
0	0	60,000
3,822	(14,178)	(7,602)
970	19,056	643,664
<u>\$4,792</u>	<u>\$4,878</u>	<u>\$636,062</u>

## Agency Fund

Student Activities Fund - This fund reflects resources that belong to the student bodies of various schools, accounting for sales and other revenue generating activities.

**Westlake City School District**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2004*

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	Beginning Balance June 30, 2003	Additions	Reductions	Ending Balance June 30, 2004
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$163,572	\$346,203	\$319,156	\$190,619
<b>Liabilities</b>				
Accounts Payable	\$2,588	\$2,846	\$2,588	\$2,846
Due to Students	160,984	343,357	316,568	187,773
<i>Total Liabilities</i>	\$163,572	\$346,203	\$319,156	\$190,619

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual**

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$30,459,311	\$30,030,497	\$30,808,986	\$778,489
Intergovernmental	6,972,294	6,874,137	7,053,242	179,105
Interest	204,400	201,522	207,656	6,134
Tuition and Fees	81,602	80,910	82,583	1,673
Rentals	60,563	59,710	60,121	411
Charges for Services	18,926	18,659	19,432	773
Miscellaneous	54,665	53,439	54,592	1,153
<i>Total Revenues</i>	<u>37,851,761</u>	<u>37,318,874</u>	<u>38,286,612</u>	<u>967,738</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	13,329,256	13,312,348	13,203,530	108,818
Fringe Benefits	4,349,932	4,350,186	4,053,789	296,397
Purchased Services	1,756,489	1,699,915	1,634,210	65,705
Materials and Supplies	1,222,000	1,200,323	1,112,919	87,404
Capital Outlay - New	224,503	257,329	257,329	0
Capital Outlay - Replacement	265,479	262,107	28,578	233,529
Total Regular	<u>21,147,659</u>	<u>21,082,208</u>	<u>20,290,355</u>	<u>791,853</u>
Special:				
Salaries and Wages	2,164,652	2,138,574	2,005,514	133,060
Fringe Benefits	906,850	930,588	930,587	1
Purchased Services	10	4,832	4,831	1
Materials and Supplies	36,426	19,784	19,245	539
Capital Outlay - New	0	6,368	6,368	0
Total Special	<u>3,107,938</u>	<u>3,100,146</u>	<u>2,966,545</u>	<u>133,601</u>
Vocational:				
Salaries and Wages	285,564	298,661	298,661	0
Fringe Benefits	89,846	89,846	87,390	2,456
Purchased Services	42,700	61,700	60,150	1,550
Materials and Supplies	11,435	15,424	11,947	3,477
Total Vocational	<u>429,545</u>	<u>465,631</u>	<u>458,148</u>	<u>7,483</u>
Total Instruction	<u>\$24,685,142</u>	<u>\$24,647,985</u>	<u>\$23,715,048</u>	<u>\$932,937</u>

(continued)

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Support Services:				
Pupils:				
Salaries and Wages	\$1,445,580	\$1,445,580	\$1,396,185	\$49,395
Fringe Benefits	468,354	468,354	467,232	1,122
Purchased Services	544,105	586,292	456,574	129,718
Materials and Supplies	151,078	154,346	133,411	20,935
Capital Outlay - New	0	479	479	0
Other	750	750	705	45
Total Pupils	<u>2,609,867</u>	<u>2,655,801</u>	<u>2,454,586</u>	<u>201,215</u>
Instructional Staff:				
Salaries and Wages	1,299,409	1,443,169	1,443,168	1
Fringe Benefits	518,314	521,066	521,066	0
Purchased Services	134,165	136,333	102,098	34,235
Materials and Supplies	127,402	132,653	131,281	1,372
Capital Outlay - New	0	5,825	5,593	232
Capital Outlay - Replacement	0	278	0	278
Other	1,200	1,200	675	525
Total Instructional Staff	<u>2,080,490</u>	<u>2,240,524</u>	<u>2,203,881</u>	<u>36,643</u>
Board of Education:				
Salaries and Wages	12,000	13,600	13,600	0
Fringe Benefits	0	311	311	0
Purchased Services	1,400	1,289	619	670
Materials and Supplies	2,450	2,472	2,121	351
Other	8,750	5,238	5,143	95
Total Board of Education	<u>24,600</u>	<u>22,910</u>	<u>21,794</u>	<u>1,116</u>
Administration:				
Salaries and Wages	1,509,441	1,509,441	1,476,441	33,000
Fringe Benefits	686,873	689,380	675,031	14,349
Purchased Services	370,293	337,940	301,752	36,188
Materials and Supplies	38,904	31,495	25,658	5,837
Capital Outlay - New	0	10,617	10,617	0
Other	69,271	72,025	67,910	4,115
Total Administration	<u>\$2,674,782</u>	<u>\$2,650,898</u>	<u>\$2,557,409</u>	<u>\$93,489</u>

(continued)

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Fiscal:</b>				
Salaries and Wages	\$283,900	\$283,900	\$259,610	\$24,290
Fringe Benefits	120,904	131,445	131,445	0
Purchased Services	39,640	38,026	28,703	9,323
Materials and Supplies	8,064	8,931	8,318	613
Capital Outlay - New	0	133	133	0
Other	587,945	604,733	604,733	0
<b>Total Fiscal</b>	<u>1,040,453</u>	<u>1,067,168</u>	<u>1,032,942</u>	<u>34,226</u>
<b>Business:</b>				
Salaries and Wages	213,279	216,549	216,547	2
Fringe Benefits	64,035	69,465	69,465	0
Purchased Services	109,966	109,774	102,827	6,947
Materials and Supplies	3,668	4,229	4,229	0
Capital Outlay - New	0	317	317	0
Other	500	602	122	480
<b>Total Business</b>	<u>391,448</u>	<u>400,936</u>	<u>393,507</u>	<u>7,429</u>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	1,474,413	1,475,732	1,475,731	1
Fringe Benefits	509,065	511,786	511,785	1
Purchased Services	1,430,465	1,426,164	1,345,568	80,596
Materials and Supplies	241,573	242,902	221,049	21,853
Capital Outlay - Replacement	10,500	34,845	34,845	0
<b>Total Operation and Maintenance of Plant</b>	<u>3,666,016</u>	<u>3,691,429</u>	<u>3,588,978</u>	<u>102,451</u>
<b>Pupil Transportation:</b>				
Salaries and Wages	1,694,343	1,670,331	1,620,414	49,917
Fringe Benefits	772,705	792,333	792,332	1
Purchased Services	217,993	257,033	252,289	4,744
Materials and Supplies	335,210	333,860	291,134	42,726
Capital Outlay - New	35,568	35,568	33,068	2,500
Capital Outlay - Replacement	181,500	178,850	177,000	1,850
<b>Total Pupil Transportation</b>	<u>\$3,237,319</u>	<u>\$3,267,975</u>	<u>\$3,166,237</u>	<u>\$101,738</u>

(continued)

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Central:				
Salaries and Wages	\$44,789	\$44,789	\$44,279	\$510
Fringe Benefits	22,805	22,735	14,725	8,010
Purchased Services	49,665	49,715	48,065	1,650
Materials and Supplies	3,113	3,768	3,767	1
Other	150	250	250	0
<b>Total Central</b>	<u>120,522</u>	<u>121,257</u>	<u>111,086</u>	<u>10,171</u>
<b>Total Support Services</b>	<u>15,845,497</u>	<u>16,118,898</u>	<u>15,530,420</u>	<u>588,478</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	103,880	114,033	114,033	0
Fringe Benefits	14,954	15,934	15,934	0
<b>Total Academic and Subject Oriented Activities</b>	<u>118,834</u>	<u>129,967</u>	<u>129,967</u>	<u>0</u>
Sports Oriented Activities:				
Salaries and Wages	491,472	491,472	456,696	34,776
Fringe Benefits	102,718	102,718	99,162	3,556
Purchased Services	7,300	7,500	7,500	0
<b>Total Sports Oriented Activities</b>	<u>601,490</u>	<u>601,690</u>	<u>563,358</u>	<u>38,332</u>
<b>Total Extracurricular Activities</b>	<u>720,324</u>	<u>731,657</u>	<u>693,325</u>	<u>38,332</u>
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - Replacement	0	2,650	2,650	0
Architecture and Engineering Services:				
Purchased Services	39,730	11,566	3,400	8,166
Building Acquisition and Construction Services:				
Other	\$1,000	\$1,000	\$933	\$67

(continued)

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Building Improvement Services:				
Purchased Services	\$39,158	\$39,158	\$3,510	\$35,648
Capital Outlay - Replacement	1,200	1,200	998	202
Total Building Improvement Services	<u>40,358</u>	<u>40,358</u>	<u>4,508</u>	<u>35,850</u>
Total Capital Outlay	<u>81,088</u>	<u>55,574</u>	<u>11,491</u>	<u>44,083</u>
<i>Total Expenditures</i>	<u>41,332,051</u>	<u>41,554,114</u>	<u>39,950,284</u>	<u>1,603,830</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,480,290)</u>	<u>(4,235,240)</u>	<u>(1,663,672)</u>	<u>2,571,568</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	200	200
Advances In	0	0	47,290	47,290
Transfers Out	(510,000)	(287,937)	(185,000)	102,937
Advances Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(29,890)</u>	<u>20,110</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(560,000)</u>	<u>(337,937)</u>	<u>(167,400)</u>	<u>170,537</u>
<i>Net Change in Fund Balance</i>	<u>(4,040,290)</u>	<u>(4,573,177)</u>	<u>(1,831,072)</u>	<u>2,742,105</u>
<i>Fund Balance Beginning of Year</i>	5,507,404	5,507,404	5,507,404	0
Prior Year Encumbrances Appropriated	<u>2,196,502</u>	<u>2,196,502</u>	<u>2,196,502</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,663,616</u></u>	<u><u>\$3,130,729</u></u>	<u><u>\$5,872,834</u></u>	<u><u>\$2,742,105</u></u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$3,879,969	\$3,819,932	\$3,842,370	\$22,438
Intergovernmental	491,334	483,732	486,430	2,698
Interest	0	0	3,448	3,448
<i>Total Revenues</i>	<u>4,371,303</u>	<u>4,303,664</u>	<u>4,332,248</u>	<u>28,584</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	2,225,000	2,225,000	2,225,000	0
Interest and Fiscal Charges	1,855,295	1,855,295	1,548,034	307,261
Issuance Costs	165,194	165,194	165,194	0
<i>Total Expenditures</i>	<u>4,245,489</u>	<u>4,245,489</u>	<u>3,938,228</u>	<u>307,261</u>
<i>Excess of Revenues Over Expenditures</i>	<u>125,814</u>	<u>58,175</u>	<u>394,020</u>	<u>335,845</u>
<b>Other Financing Sources (Uses)</b>				
Bonds Issued	13,785	13,785	13,925,000	13,911,215
Premium on Bonds	3,448	3,448	2,140,791	2,137,343
Payment to Refunded Bond Escrow Agent	(15,886,812)	(15,886,812)	(15,886,812)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(15,869,579)</u>	<u>(15,869,579)</u>	<u>178,979</u>	<u>16,048,558</u>
<i>Net Change in Fund Balance</i>	<u>(15,743,765)</u>	<u>(15,811,404)</u>	<u>572,999</u>	<u>16,384,403</u>
<i>Fund Balance Beginning of Year</i>	<u>2,386,286</u>	<u>2,386,286</u>	<u>2,386,286</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$13,357,479)</u></u>	<u><u>(\$13,425,118)</u></u>	<u><u>\$2,959,285</u></u>	<u><u>\$16,384,403</u></u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Interest	\$1,500	\$82,000	\$87,797	\$5,797
<b>Expenditures</b>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	5,900	5,900	4,214	1,686
Materials and Supplies	2,500	2,500	2,462	38
Capital Outlay - New	212,922	212,922	182,921	30,001
Total Site Acquisition Services	221,322	221,322	189,597	31,725
Architecture and Engineering Services:				
Purchased Services	1,500	1,500	0	1,500
Building Acquisition and Construction Services:				
Purchased Services	6,417,642	8,220,292	8,084,363	135,929
Materials and Supplies	60,000	60,000	11,822	48,178
Capital Outlay - New	2,000,000	197,350	0	197,350
Total Building Acquisition and Construction Services	8,477,642	8,477,642	8,096,185	381,457
Building Improvement Services:				
Capital Outlay - Replacement	23,569	23,569	6,508	17,061
Other	20,000	20,000	0	20,000
Total Building Improvement Services	43,569	43,569	6,508	37,061
<i>Total Expenditures</i>	8,744,033	8,744,033	8,292,290	451,743
<i>Net Change in Fund Balance</i>	(8,742,533)	(8,662,033)	(8,204,493)	457,540
<i>Fund Balance Beginning of Year</i>	8,285,795	8,285,795	8,285,795	0
Prior Year Encumbrances Appropriated	565,033	565,033	565,033	0
<i>Fund Balance End of Year</i>	\$108,295	\$188,795	\$646,335	\$457,540

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$68,435	\$71,786	\$71,909	\$123
Interest	238	250	250	0
Charges for Services	719,874	755,126	756,083	957
Miscellaneous	4,440	4,658	4,628	(30)
<i>Total Revenues</i>	792,987	831,820	832,870	1,050
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Operation of Food Services:				
Salaries and Wages	309,978	315,424	315,424	0
Fringe Benefits	126,450	140,516	140,302	214
Purchased Services	1,500	1,580	1,580	0
Materials and Supplies	358,192	379,989	379,989	0
Capital Outlay - New	0	197	197	0
<i>Total Expenditures</i>	796,120	837,706	837,492	214
<i>Excess of Revenues Under Expenditures</i>	(3,133)	(5,886)	(4,622)	1,264
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	5,000	5,000
Advances Out	(5,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	(5,000)	0	5,000	5,000
<i>Net Change in Fund Balance</i>	(8,133)	(5,886)	378	6,264
<i>Fund Balance Beginning of Year</i>	963	963	963	0
Prior Year Encumbrances Appropriated	7,532	7,532	7,532	0
<i>Fund Balance End of Year</i>	\$362	\$2,609	\$8,873	\$6,264

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$212	\$317	\$323	\$6
Contributions and Donations	6,690	10,006	10,199	193
<i>Total Revenues</i>	6,902	10,323	10,522	199
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	1,353	1,352	1
Capital Outlay - New	0	499	499	0
Total Instruction	0	1,852	1,851	1
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Purchased Services	12,300	13,500	9,600	3,900
<i>Total Expenditures</i>	12,300	15,352	11,451	3,901
<i>Net Change in Fund Balance</i>	(5,398)	(5,029)	(929)	4,100
<i>Fund Balance Beginning of Year</i>	38,679	38,679	38,679	0
<i>Fund Balance End of Year</i>	\$33,281	\$33,650	\$37,750	\$4,100

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition and Fees	\$16,500	\$15,900	\$15,939	\$39
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	17,000	13,000	12,785	215
<i>Net Change in Fund Balance</i>	(500)	2,900	3,154	254
<i>Fund Balance Beginning of Year</i>	3,842	3,842	3,842	0
<i>Fund Balance End of Year</i>	<u>\$3,342</u>	<u>\$6,742</u>	<u>\$6,996</u>	<u>\$254</u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Interdistrict Summer School Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Tuition and Fees	\$76,700	\$74,982	\$76,116	\$1,134
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	65,000	57,000	56,943	57
Fringe Benefits	7,500	8,716	8,716	0
Materials and Supplies	2,000	2,000	201	1,799
Capital Outlay - New	37,993	13,777	13,607	170
Total Instruction	112,493	81,493	79,467	2,026
Support Services:				
Administration:				
Salaries and Wages	12,000	11,100	11,042	58
Fringe Benefits	2,200	2,200	1,768	432
Purchased Services	500	500	297	203
Materials and Supplies	500	500	86	414
Capital Outlay - New	250	250	0	250
Total Support Services	15,450	14,550	13,193	1,357
<i>Total Expenditures</i>	127,943	96,043	92,660	3,383
<i>Net Change in Fund Balance</i>	(51,243)	(21,061)	(16,544)	4,517
<i>Fund Balance Beginning of Year</i>	90,377	90,377	90,377	0
Prior Year Encumbrances Appropriated	12,993	12,993	12,993	0
<i>Fund Balance End of Year</i>	\$52,127	\$82,309	\$86,826	\$4,517

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Community Education Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Tuition and Fees	\$338,500	\$317,465	\$314,571	(\$2,894)
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Salaries and Wages	59,000	57,924	57,924	0
Fringe Benefits	33,000	26,144	26,144	0
Total Support Services	92,000	84,068	84,068	0
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	163,200	156,081	156,081	0
Fringe Benefits	50,000	46,817	46,817	0
Purchased Services	18,991	19,663	12,450	7,213
Materials and Supplies	20,581	21,655	20,206	1,449
Capital Outlay - New	916	916	384	532
Total Operation of Non-Instructional Services	253,688	245,132	235,938	9,194
<i>Total Expenditures</i>	345,688	329,200	320,006	9,194
<i>Excess of Revenues Under Expenditures</i>	(7,188)	(11,735)	(5,435)	6,300
<b>Other Financing Sources</b>				
Advances In	0	0	10,400	10,400
<i>Net Change in Fund Balance</i>	(7,188)	(11,735)	4,965	16,700
<i>Fund Balance Beginning of Year</i>	23,833	23,833	23,833	0
Prior Year Encumbrances Appropriated	3,988	3,988	3,988	0
<i>Fund Balance End of Year</i>	\$20,633	\$16,086	\$32,786	\$16,700

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Tuition and Fees	\$201,845	\$246,251	\$246,716	\$465
Extracurricular Activities	110,285	134,548	134,774	226
Contributions and Donations	36,365	44,365	44,426	61
Miscellaneous	1,505	1,836	1,856	20
<i>Total Revenues</i>	<u>350,000</u>	<u>427,000</u>	<u>427,772</u>	<u>772</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Board of Education:				
Purchased Services	1,000	1,000	225	775
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	2,600	2,600	3,782	(1,182)
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Purchased Services	2,035	2,035	330	1,705
Materials and Supplies	341,204	341,204	379,766	(38,562)
Capital Outlay - New	11,843	11,843	7,801	4,042
Capital Outlay - Replacement	40	40	40	0
<i>Total Extracurricular Activities</i>	<u>355,122</u>	<u>355,122</u>	<u>387,937</u>	<u>(32,815)</u>
<i>Total Expenditures</i>	<u>358,722</u>	<u>358,722</u>	<u>391,944</u>	<u>(33,222)</u>
<i>Net Change in Fund Balance</i>	(8,722)	68,278	35,828	(32,450)
<i>Fund Balance Beginning of Year</i>	138,215	138,215	138,215	0
Prior Year Encumbrances Appropriated	8,722	8,722	8,722	0
<i>Fund Balance End of Year</i>	<u>\$138,215</u>	<u>\$215,215</u>	<u>\$182,765</u>	<u>(\$32,450)</u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Professional Development Grant Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous	\$0	\$0	\$750	\$750
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	304	351	47	304
Support Services:				
Instructional Staff:				
Salaries and Wages	3,400	3,400	200	3,200
Fringe Benefits	534	534	31	503
Purchased Services	3,395	3,348	0	3,348
Materials and Supplies	2,383	2,383	468	1,915
Total Support Services	9,712	9,665	699	8,966
<i>Total Expenditures</i>	10,016	10,016	746	9,270
<i>Net Change in Fund Balance</i>	(10,016)	(10,016)	4	10,020
<i>Fund Balance Beginning of Year</i>	9,555	9,555	9,555	0
Prior Year Encumbrances Appropriated	520	520	520	0
<i>Fund Balance End of Year</i>	\$59	\$59	\$10,079	\$10,020

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Athletic and Music Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$144,910	\$154,310	\$154,465	\$155
Contributions and Donations	27,769	29,570	29,599	29
Miscellaneous	12,321	13,120	13,128	8
<i>Total Revenues</i>	185,000	197,000	197,192	192
<b>Expenditures</b>				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	40,000	46,001	41,298	4,703
Fringe Benefits	4,600	5,482	4,899	583
Purchased Services	82,150	82,150	68,633	13,517
Materials and Supplies	205,427	127,529	119,156	8,373
Capital Outlay - New	12,000	18,287	18,287	0
Capital Outlay - Replacement	10,500	10,500	219	10,281
Other	26,019	26,019	19,382	6,637
Total Sports Oriented Activities	380,696	315,968	271,874	44,094
School and Public Service				
Co-Curricular Activities:				
Fringe Benefits	0	928	928	0
<i>Total Expenditures</i>	380,696	316,896	272,802	44,094
<i>Excess of Revenues Under Expenditures</i>	(195,696)	(119,896)	(75,610)	44,286
<b>Other Financing Sources</b>				
Transfers In	60,000	60,000	60,000	0
<i>Net Change in Fund Balance</i>	(135,696)	(59,896)	(15,610)	44,286
<i>Fund Balance Beginning of Year</i>	177,677	177,677	177,677	0
Prior Year Encumbrances Appropriated	10,696	10,696	10,696	0
<i>Fund Balance End of Year</i>	\$52,677	\$128,477	\$172,763	\$44,286

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$449,330	\$493,174	\$493,313	\$139
Interest	1,220	1,339	1,339	0
<i>Total Revenues</i>	<u>450,550</u>	<u>494,513</u>	<u>494,652</u>	<u>139</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	97,194	96,881	82,906	13,975
Fringe Benefits	48,721	54,740	46,687	8,053
Purchased Services	195,760	177,459	176,735	724
Materials and Supplies	274,596	287,461	209,333	78,128
Capital Outlay - New	6,600	7,600	2,075	5,525
<i>Total Expenditures</i>	<u>622,871</u>	<u>624,141</u>	<u>517,736</u>	<u>106,405</u>
<i>Net Change in Fund Balance</i>	(172,321)	(129,628)	(23,084)	106,544
<i>Fund Balance Beginning of Year</i>	26,811	26,811	26,811	0
Prior Year Encumbrances Appropriated	<u>103,430</u>	<u>103,430</u>	<u>103,430</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$42,080)</u></u>	<u><u>\$613</u></u>	<u><u>\$107,157</u></u>	<u><u>\$106,544</u></u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Career Education Program Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	533	0	0	0
Support Services:				
Pupils:				
Purchased Services	0	1,017	860	157
Materials and Supplies	317	0	0	0
Capital Outlay - New	167	0	0	0
Total Support Services	484	1,017	860	157
<i>Total Expenditures</i>	1,017	1,017	860	157
<i>Net Change in Fund Balance</i>	(1,017)	(1,017)	(860)	157
<i>Fund Balance Beginning of Year</i>	1,017	1,017	1,017	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$157	\$157

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Educational Management Information Systems Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$14,176	\$14,176	\$14,176	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	26,188	22,928	8,375	14,553
Fringe Benefits	8,952	12,387	4,884	7,503
<i>Total Expenditures</i>	35,140	35,315	13,259	22,056
<i>Net Change in Fund Balance</i>	(20,964)	(21,139)	917	22,056
<i>Fund Balance Beginning of Year</i>	21,139	21,139	21,139	0
<i>Fund Balance End of Year</i>	\$175	\$0	\$22,056	\$22,056

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Entry Year Programs Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	<u>\$7,700</u>	<u>\$7,700</u>	<u>\$7,700</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	3,500	3,500	3,500	0
Purchased Services	2,000	2,000	2,000	0
Materials and Supplies	<u>2,200</u>	<u>2,200</u>	<u>2,199</u>	<u>1</u>
<i>Total Expenditures</i>	<u>7,700</u>	<u>7,700</u>	<u>7,699</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	0	0	1	1
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>	<u>\$1</u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Data Communications Support Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$21,000	\$21,000	\$21,000	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	47,917	56,830	43,750	13,080
Capital Outlay - New	13,755	23,304	21,632	1,672
<i>Total Expenditures</i>	61,672	80,134	65,382	14,752
<i>Net Change in Fund Balance</i>	(40,672)	(59,134)	(44,382)	14,752
<i>Fund Balance Beginning of Year</i>	58,684	58,684	58,684	0
Prior Year Encumbrances Appropriated	450	450	450	0
<i>Fund Balance End of Year</i>	\$18,462	\$0	\$14,752	\$14,752

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*School Net Professional Development Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$4,140	\$4,140	\$4,140	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,985	3,985	3,985	0
Fringe Benefits	615	615	615	0
Purchased Services	3,400	3,190	1,058	2,132
Total Instruction	8,000	7,790	5,658	2,132
Support Services:				
Instructional Staff:				
Purchased Services	740	950	836	114
<i>Total Expenditures</i>	8,740	8,740	6,494	2,246
<i>Net Change in Fund Balance</i>	(4,600)	(4,600)	(2,354)	2,246
<i>Fund Balance Beginning of Year</i>	4,600	4,600	4,600	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$2,246	\$2,246

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Ohio Reads Grant Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$8,000	\$8,000	\$8,000	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	8,000	8,000	8,000	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Student Reading Intervention Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$10,288	\$57,155	\$57,155	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	49,205	49,205	49,205	0
Fringe Benefits	7,950	7,950	7,950	0
<i>Total Expenditures</i>	<u>57,155</u>	<u>57,155</u>	<u>57,155</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(46,867)	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$46,867)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Safe Schools Help Line Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
<b>Other Financing Uses</b>				
Refund of Prior Year Receipts	<u>(150)</u>	<u>(150)</u>	<u>(150)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(150)	(150)	(150)	0
<i>Fund Balance Beginning of Year</i>	<u>150</u>	<u>150</u>	<u>150</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Entry Year Planning Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	1,388	1,388	1,388	0
<i>Net Change in Fund Balance</i>	(1,388)	(1,388)	(1,388)	0
<i>Fund Balance Beginning of Year</i>	1,047	1,047	1,047	0
Prior Year Encumbrances Appropriated	341	341	341	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Adult Basic Education Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$159,168	\$91,901	\$91,901	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	67,182	64,272	52,371	11,901
Fringe Benefits	10,639	10,052	8,214	1,838
Purchased Services	600	0	0	0
Materials and Supplies	385	0	0	0
Capital Outlay - New	898	0	0	0
<b>Total Instruction</b>	<b>79,704</b>	<b>74,324</b>	<b>60,585</b>	<b>13,739</b>
Support Services:				
Pupils:				
Purchased Services	0	600	600	0
Instructional Staff:				
Salaries and Wages	46,922	51,381	39,882	11,499
Fringe Benefits	7,647	8,184	6,415	1,769
Purchased Services	1,866	1,650	1,188	462
<b>Total Instructional Staff</b>	<b>56,435</b>	<b>61,215</b>	<b>47,485</b>	<b>13,730</b>
<b>Total Support Services</b>	<b>56,435</b>	<b>61,815</b>	<b>48,085</b>	<b>13,730</b>
<b>Total Expenditures</b>	<b>136,139</b>	<b>136,139</b>	<b>108,670</b>	<b>27,469</b>
<b>Net Change in Fund Balance</b>	<b>23,029</b>	<b>(44,238)</b>	<b>(16,769)</b>	<b>27,469</b>
<b>Fund Balance Beginning of Year</b>	<b>44,238</b>	<b>44,238</b>	<b>44,238</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$67,267</b>	<b>\$0</b>	<b>\$27,469</b>	<b>\$27,469</b>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Eisenhower Math and Science Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Fringe Benefits	0	63	63	0
Support Services:				
Instructional Staff:				
Purchased Services	3,319	3,256	3,256	0
<i>Total Expenditures</i>	3,319	3,319	3,319	0
<i>Net Change in Fund Balance</i>	(3,319)	(3,319)	(3,319)	0
<i>Fund Balance Beginning of Year</i>	63	63	63	0
Prior Year Encumbrances Appropriated	3,256	3,256	3,256	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$510,126	\$646,919	\$635,129	(\$11,790)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	6,300	6,263	6,001	262
Fringe Benefits	973	948	907	41
Purchased Services	122,092	440,552	437,441	3,111
Materials and Supplies	1,277	7,692	7,691	1
Capital Outlay - New	1,802	1,802	1,802	0
Total Instruction	132,444	457,257	453,842	3,415
Support Services:				
Pupils:				
Purchased Services	10,784	40,784	40,784	0
Capital Outlay - New	270	260	260	0
Total Pupils	11,054	41,044	41,044	0
Instructional Staff:				
Salaries and Wages	0	30,178	29,873	305
Fringe Benefits	0	26,917	23,103	3,814
Purchased Services	37,293	65,372	63,471	1,901
Materials and Supplies	1,487	1,470	1,258	212
Total Instructional Staff	38,780	123,937	117,705	6,232
Total Support Services	49,834	164,981	158,749	6,232
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	37,666	28,200	9,466
Total Expenditures	182,278	659,904	640,791	19,113
Excess of Revenues Over (Under) Expenditures	327,848	(12,985)	(5,662)	7,323
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	11,789	11,789
Advances Out	(1,789)	(11,789)	(11,789)	0
Total Other Financing Sources (Uses)	(1,789)	(11,789)	0	11,789
Net Change in Fund Balance	326,059	(24,774)	(5,662)	19,112
Fund Balance (Deficit) Beginning of Year	(99,196)	(99,196)	(99,196)	0
Prior Year Encumbrances Appropriated	123,970	123,970	123,970	0
Fund Balance End of Year	\$350,833	\$0	\$19,112	\$19,112

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$6,300	\$6,922	\$6,922	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	6,300	6,922	6,922	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Energy Audit Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	786	786	786	0
<i>Fund Balance End of Year</i>	\$786	\$786	\$786	\$0

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$101,000	\$9,113	\$9,113	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	0	2,716	2,716	0
Fringe Benefits	3	0	0	0
Purchased Services	1,597	0	0	0
Materials and Supplies	2,122	1,006	1,006	0
<i>Total Expenditures</i>	<u>3,722</u>	<u>3,722</u>	<u>3,722</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	97,278	5,391	5,391	0
<b>Other Financing Uses</b>				
Advances Out	<u>(7,200)</u>	<u>(7,200)</u>	<u>(7,200)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	90,078	(1,809)	(1,809)	0
<i>Fund Balance Beginning of Year</i>	662	662	662	0
Prior Year Encumbrances Appropriated	<u>1,147</u>	<u>1,147</u>	<u>1,147</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$91,887</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title V Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$49,810	\$42,783	\$42,783	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	17,850	17,925	17,925	0
Fringe Benefits	2,837	2,767	2,767	0
Purchased Services	19,036	19,036	19,036	0
Total Support Services	39,723	39,728	39,728	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	8,475	8,475	8,413	62
<i>Total Expenditures</i>	48,198	48,203	48,141	62
<i>Excess of Revenues Over (Under) Expenditures</i>	1,612	(5,420)	(5,358)	62
<b>Other Financing Uses</b>				
Advances Out	(15,600)	(15,600)	(15,600)	0
<i>Net Change in Fund Balance</i>	(13,988)	(21,020)	(20,958)	62
<i>Fund Balance Beginning of Year</i>	166	166	166	0
Prior Year Encumbrances Appropriated	20,854	20,854	20,854	0
<i>Fund Balance End of Year</i>	\$7,032	\$0	\$62	\$62

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Drug Free Schools Grant Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$15,406	\$11,090	\$11,090	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	10,313	10,313	10,313	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	777	777	777	0
<i>Total Expenditures</i>	11,090	11,090	11,090	0
<i>Net Change in Fund Balance</i>	4,316	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$4,316	\$0	\$0	\$0

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Early Childhood Education Development Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$17,471	\$19,010	\$16,310	(\$2,700)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Materials and Supplies	0	1,490	1,490	0
Support Services:				
Pupils:				
Salaries and Wages	3,502	11,527	10,774	753
Fringe Benefits	1,063	5,157	4,393	764
Materials and Supplies	1,271	1,367	1,367	0
Capital Outlay - New	256	161	161	0
Total Support Services	6,092	18,212	16,695	1,517
<i>Total Expenditures</i>	6,092	19,702	18,185	1,517
<i>Excess of Revenues Over (Under) Expenditures</i>	11,379	(692)	(1,875)	(1,183)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	2,700	2,700
Advances Out	0	(2,700)	(2,700)	0
<i>Total Other Financing Sources (Uses)</i>	0	(2,700)	0	2,700
<i>Net Change in Fund Balance</i>	11,379	(3,392)	(1,875)	1,517
<i>Fund Balance Beginning of Year</i>	1,955	1,955	1,955	0
Prior Year Encumbrances Appropriated	1,437	1,437	1,437	0
<i>Fund Balance End of Year</i>	\$14,771	\$0	\$1,517	\$1,517

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*E-Rate Grant Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	2,089	2,089	2,089	0
<i>Fund Balance End of Year</i>	\$2,089	\$2,089	\$2,089	\$0

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Class Size Reduction Grant Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$75,974	\$85,876	\$85,876	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	37,000	34,160	34,160	0
Fringe Benefits	7,546	9,236	9,236	0
Purchased Services	3,123	3,123	3,122	1
Materials and Supplies	967	0	0	0
Total Instruction	48,636	46,519	46,518	1
Support Services:				
Instructional Staff:				
Purchased Services	27,428	27,681	27,128	553
Materials and Supplies	4,000	4,000	4,000	0
Total Support Services	31,428	31,681	31,128	553
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	353	0	353
Materials and Supplies	372	1,197	1,192	5
Total Operation of Non-Instructional Services	372	1,550	1,192	358
<i>Total Expenditures</i>	80,436	79,750	78,838	912
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,462)	6,126	7,038	912
<b>Other Financing Uses</b>				
Advances Out	(10,000)	(10,000)	(10,000)	0
<i>Net Change in Fund Balance</i>	(14,462)	(3,874)	(2,962)	912
<i>Fund Balance Beginning of Year</i>	381	381	381	0
Prior Year Encumbrances Appropriated	3,493	3,493	3,493	0
<i>Fund Balance (Deficit) End of Year</i>	(\$10,588)	\$0	\$912	\$912

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Miscellaneous Federal Grants Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$52,500	\$52,500	\$52,500	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	5,000	3,181	1,407	1,774
Fringe Benefits	773	773	215	558
Materials and Supplies	37	37	37	0
Total Instruction	5,810	3,991	1,659	2,332
Support Services:				
Pupils:				
Materials and Supplies	8,519	20,309	20,024	285
Instructional Staff:				
Salaries and Wages	22,150	22,150	22,150	0
Fringe Benefits	3,779	3,779	3,511	268
Purchased Services	34,429	24,460	23,673	787
Total Instructional Staff	60,358	50,389	49,334	1,055
Administration:				
Materials and Supplies	413	411	411	0
Total Support Services	69,290	71,109	69,769	1,340
<i>Total Expenditures</i>	75,100	75,100	71,428	3,672
<i>Net Change in Fund Balance</i>	(22,600)	(22,600)	(18,928)	3,672
<i>Fund Balance Beginning of Year</i>	17,725	17,725	17,725	0
Prior Year Encumbrances Appropriated	4,875	4,875	4,875	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$3,672	\$3,672

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$325,000	\$1,789	\$1,877	\$88
<b>Expenditures</b>				
Current:				
Instruction:				
Regular				
Capital Outlay - New	25,000	25,000	0	25,000
Capital Outlay:				
Site Improvement Services:				
Purchased Services	521,213	521,213	265,310	255,903
Capital Outlay - New	302,314	277,314	235,386	41,928
Total Capital Outlay	823,527	798,527	500,696	297,831
<i>Total Expenditures</i>	848,527	823,527	500,696	322,831
<i>Excess of Revenues Under Expenditures</i>	(523,527)	(821,738)	(498,819)	322,919
<b>Other Financing Sources</b>				
Transfers In	125,000	125,000	125,000	0
<i>Net Change in Fund Balance</i>	(398,527)	(696,738)	(373,819)	322,919
<i>Fund Balance Beginning of Year</i>	464	464	464	0
Prior Year Encumbrances Appropriated	373,527	373,527	373,527	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$24,536)</u>	<u>(\$322,747)</u>	<u>\$172</u>	<u>\$322,919</u>

**Westlake City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Self Insurance Fund*  
*For the Fiscal Year Ended June 30, 2004*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	<u>\$4,026,000</u>	<u>\$4,400,000</u>	<u>\$4,486,955</u>	<u>\$86,955</u>
<b>Expenses</b>				
Purchased Services	605,928	605,928	605,928	0
Claims	<u>3,602,072</u>	<u>3,699,975</u>	<u>3,699,975</u>	<u>0</u>
<i>Total Expenses</i>	<u>4,208,000</u>	<u>4,305,903</u>	<u>4,305,903</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(182,000)	94,097	181,052	86,955
<i>Fund Equity Beginning of Year</i>	931,108	931,108	931,108	0
Prior Year Encumbrances Appropriated	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$757,108</u></u>	<u><u>\$1,033,205</u></u>	<u><u>\$1,120,160</u></u>	<u><u>\$86,955</u></u>

**Westlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Scholarship Fund*  
*For the Fiscal Year Ended June 30, 2004*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$0	\$0	\$289	\$289
<b>Expenditures</b>				
Current:				
Instruction:				
Other:				
Purchased Services	1,000	1,000	0	1,000
<i>Net Change in Fund Equity</i>	(1,000)	(1,000)	289	1,289
<i>Fund Equity Beginning of Year</i>	27,126	27,126	27,126	0
<i>Fund Equity End of Year</i>	<u>\$26,126</u>	<u>\$26,126</u>	<u>\$27,415</u>	<u>\$1,289</u>

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**Westlake City School District**  
*Governmental Activities Revenues by Source and Expenses by Function*  
*Last Four Fiscal Years*

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Program Revenues</b>				
Charges for Services and Sales	\$1,843,456	\$1,759,587	\$1,653,881	\$1,797,390
Operating Grants, Interest and Contributions	1,740,035	1,502,437	1,276,282	1,213,814
Capital Grants and Contributions	19,066	0	47,257	243,121
<b>General Revenues</b>				
Taxes (1)	36,453,309	31,338,055	38,126,305	32,131,952
Intergovernmental	7,315,688	7,356,828	6,865,844	6,222,333
Investment Earnings	282,326	407,405	370,873	773,708
Miscellaneous	91,659	125,189	52,456	1,124
<i>Total</i>	<u>\$47,745,539</u>	<u>\$42,489,501</u>	<u>\$48,392,898</u>	<u>\$42,383,442</u>
<b>Expenses</b>				
Current:				
Instruction:				
Regular	\$20,669,591	\$18,909,990	\$18,561,778	\$17,899,511
Special	3,597,814	3,405,179	3,320,191	3,096,309
Vocational	469,663	392,114	308,959	985,007
Adult/Continuing	70,955	58,192	39,473	28,445
Support Services				
Pupils	2,481,334	2,184,689	2,187,073	2,052,453
Instructional Staff	2,897,289	1,977,693	1,987,734	1,830,028
Board of Education	2,066	79,923	27,743	15,090
Administration	2,884,080	2,674,304	2,505,538	2,352,216
Fiscal	1,003,922	936,066	1,072,157	785,636
Business	314,645	358,033	402,168	336,837
Operation and Maintenance of Plant	3,682,109	3,358,389	3,185,520	3,496,070
Pupil Transportation	3,408,168	3,456,556	2,766,196	3,046,466
Central	147,463	134,189	145,174	91,221
Operation of Non-Instructional Services	758,102	802,918	711,847	758,908
Extracurricular Activities	1,386,634	1,192,747	1,382,233	1,134,802
Operation of Food Services	935,514	816,766	786,465	827,579
Debt Service	1,561,790	1,773,682	1,687,411	1,778,329
<i>Total</i>	<u>\$46,271,139</u>	<u>\$42,511,430</u>	<u>\$41,077,660</u>	<u>\$40,514,907</u>

Source: School District Financial Records

(1) Fluctuations in property tax revenues are caused by the variation in the amounts which are available as an advance from the County Auditor at year end.

**Westlake City School District**  
*General Governmental Revenues by Source and Expenditures by Function*  
*Last Ten Fiscal Years*

	2004	2003	2002	2001	2000
<b>General Revenues</b>					
Taxes (1)	\$36,863,886	\$30,876,368	\$37,510,455	\$31,726,503	\$26,644,336
Intergovernmental	9,041,153	8,776,049	8,120,314	7,646,141	7,003,162
Interest	284,238	407,405	371,759	784,102	689,686
Tuition and Fees	726,473	715,411	628,830	808,238	328,287
Extracurricular Activities	289,239	258,838	253,931	142,395	240,892
Rentals	54,545	50,350	55,842	65,484	87,456
Charges for Services	773,199	734,988	715,278	743,805	20,198
Contributions and Donations	84,224	32,156	66,691	31,639	296,116
Miscellaneous	91,659	125,189	52,456	49,335	119,658
<i>Total</i>	<u>\$48,208,616</u>	<u>\$41,976,754</u>	<u>\$47,775,556</u>	<u>\$41,997,642</u>	<u>\$35,429,791</u>
<b>Expenses/Expenditures</b>					
Current:					
Instruction:					
Regular	\$19,966,271	\$18,057,551	\$18,265,000	\$16,551,332	\$15,188,012
Special	3,450,581	3,372,679	3,219,762	2,988,533	3,094,834
Vocational	456,127	382,559	293,653	986,123	675,150
Adult/Continuing	64,786	58,078	39,473	28,445	34,635
Support Services					
Pupils	2,364,661	2,071,929	2,067,422	1,956,645	1,781,213
Instructional Staff	2,572,913	1,998,084	1,946,930	1,725,845	1,497,594
Board of Education	1,342	32,633	27,743	15,090	14,909
Administration	2,693,589	2,563,907	2,262,978	2,261,432	2,400,178
Fiscal	984,521	914,567	1,063,295	784,050	613,969
Business	280,150	260,981	279,895	662,980	362,224
Operation and Maintenance of Plant	3,485,862	3,230,539	3,165,275	3,183,416	2,810,122
Pupil Transportation	3,147,406	3,307,033	2,649,378	3,040,499	2,682,571
Central	161,673	128,603	135,190	84,832	102,784
Operation of Non-Instructional Services	666,651	756,871	701,145	727,858	400,655
Extracurricular Activities	1,363,726	1,170,928	1,362,764	1,137,003	1,135,474
Operation of Food Services	873,448	796,763	813,300	741,087	N/A
Intergovernmental	0	0	0	0	0
Capital Outlay	4,079,092	1,788,880	518,067	1,712,087	1,770,882
Debt Service	4,038,297	3,805,778	3,454,997	3,401,128	3,257,634
<i>Total</i>	<u>\$50,651,096</u>	<u>\$44,698,363</u>	<u>\$42,266,267</u>	<u>\$41,988,385</u>	<u>\$37,822,840</u>

Source: School District Financial Records

(1) Fluctuations in property tax revenues are caused by the variation in the amounts which are available as an advance from the County Auditor at year end.

1999	1998	1997	1996	1995
\$28,845,535	\$26,967,789	\$24,988,210	\$22,013,092	\$21,318,820
6,382,395	5,870,793	5,555,534	5,544,007	4,482,081
810,284	1,840,532	1,172,142	202,793	187,024
273,435	290,702	560,992	478,753	368,852
239,022	219,330	165,036	192,361	205,486
76,975	104,055	52,751	29,826	25,675
28,019	25,896	23,699	16,244	16,533
50,678	42,913	17,268	39,038	13,794
73,652	243,689	213,407	8,865	6,892
<u>\$36,779,995</u>	<u>\$35,605,699</u>	<u>\$32,749,039</u>	<u>\$28,524,979</u>	<u>\$26,625,157</u>

\$14,656,987	\$14,265,601	\$13,686,849	\$13,478,484	\$12,602,190
2,896,480	2,341,403	1,951,485	1,962,593	2,069,250
666,356	596,283	698,736	508,791	344,792
24,722	22,481	18,267	16,614	23,166
1,683,317	1,472,696	1,361,314	1,292,277	1,143,222
1,368,801	1,474,157	1,724,691	1,462,585	1,376,642
17,398	19,872	14,010	20,416	10,619
2,064,575	1,969,681	1,768,986	1,719,492	1,507,430
805,242	700,679	662,472	624,936	595,478
301,283	290,009	315,293	268,166	246,102
2,890,879	2,798,599	2,814,017	2,581,797	2,538,904
2,108,723	2,079,761	2,327,391	1,787,887	1,605,365
105,006	57,543	39,082	41,051	36,962
419,219	367,160	328,377	310,553	0
1,052,473	1,073,022	1,061,086	978,195	908,869
N/A	N/A	N/A	N/A	N/A
0	7,250,000	0	0	0
8,969,779	14,888,368	2,833,150	274,108	47,103
3,142,116	3,083,384	976,831	516,023	515,530
<u>\$43,173,356</u>	<u>\$54,750,699</u>	<u>\$32,582,037</u>	<u>\$27,843,968</u>	<u>\$25,571,624</u>

**Westlake City School District**  
*Property Tax Levies and Collections*  
*Real and Tangible Personal Property (1)*  
*Last Ten Years*

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection
2003	\$38,967,423	\$2,620,334	\$41,587,757	\$37,394,113
2002	38,158,204	2,854,274	41,012,478	35,859,530
2001	37,912,913	1,892,060	39,804,973	35,401,042
2000	32,458,538	889,270	33,347,808	31,019,381
1999	31,265,984	1,225,249	32,491,233	29,927,991
1998	30,350,117	1,415,407	31,765,524	29,635,427
1997	29,222,512	1,299,228	30,521,740	28,732,644
1996	26,713,386	786,524	27,499,910	26,054,909
1995	23,524,540	889,663	24,414,203	23,215,155
1994	22,410,483	921,142	23,331,625	22,034,810

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2004 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 brought on in one lump sum.

Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
96.0%	\$1,401,979	\$38,796,092	99.6%
94.0	1,685,033	37,544,563	98.4
93.4	1,219,689	36,620,731	96.6
95.6	628,880	31,648,261	97.5
95.7	709,894	30,637,885	98.0
97.6	746,844	30,382,271	100.1
98.3	534,241	29,266,885	100.2
97.5	463,584	26,518,493	99.3
98.7	454,310	23,669,465	100.6
98.3	405,719	22,440,529	100.1

**Westlake City School District**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2004	\$1,181,766,920	\$3,376,476,914	\$22,652,240	\$25,741,182
2003	1,092,555,030	3,121,585,800	22,213,040	25,242,091
2002	1,072,485,940	3,064,245,543	23,522,370	26,729,966
2001	1,028,659,760	2,939,027,886	30,491,100	34,648,977
2000	893,396,390	2,552,561,114	30,889,430	35,101,625
1999	852,394,210	2,435,412,029	33,579,300	38,158,295
1998	829,261,960	2,369,318,457	34,326,270	39,007,125
1997	761,751,550	2,176,433,000	35,417,680	40,247,364
1996	738,781,830	2,110,805,229	35,226,690	40,030,330
1995	704,416,260	2,012,617,886	36,652,930	41,651,057

Source: Cuyahoga County Auditor - 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 88 percent of actual value.  
 Capital assets for tangible personal property is assessed at 25 percent of actual value.  
 Inventory for tangible personal property is assessed at 23 percent of actual value.

Tangible Personal Property		Total	
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
\$67,303,512	\$292,645,704	\$1,271,722,672	\$3,694,863,800
74,078,302	322,079,574	1,188,846,372	3,468,907,465
77,021,986	308,087,944	1,173,030,296	3,399,063,453
74,494,491	297,973,008	1,133,645,351	3,271,649,871
69,493,252	277,973,008	993,779,072	2,865,635,747
63,939,231	255,756,924	949,912,741	2,729,327,248
64,750,544	259,002,176	928,338,774	2,667,327,758
65,660,169	262,640,676	862,829,399	2,479,321,040
57,920,927	231,683,708	831,929,447	2,382,519,267
56,067,638	224,270,552	797,136,828	2,278,539,495

**Westlake City School District**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

Year	School Levy	Library	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
						School	County	City	Total
2004	\$61.00	\$2.50	\$18.00	\$10.10	\$91.60	\$3.50	\$0.91	\$1.10	\$5.51
2003	61.20	2.00	16.20	10.30	89.70	3.70	0.91	1.30	5.91
2002	62.60	2.00	16.20	10.30	91.10	3.10	0.86	1.30	5.26
2001	60.70	2.00	16.20	10.30	89.20	3.20	0.27	1.30	4.77
2000	63.10	2.00	15.30	10.50	90.90	3.60	0.27	1.62	5.49
1999	61.10	2.00	15.30	10.50	88.90	3.60	0.72	1.62	5.94
1998	61.00	2.00	16.60	10.20	89.80	3.50	0.60	1.32	5.42
1997	60.70	2.00	16.60	10.80	90.10	3.20	0.90	2.06	6.16
1996	58.30	2.00	16.60	10.90	87.80	0.80	0.87	2.22	3.89
1995	55.90	2.00	16.80	11.00	85.70	1.30	0.76	2.35	4.41

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

**Westlake City School District**  
*Ratio of Net General Obligation Bonded Debt to  
 Assessed Value and Net Bonded Debt Per Capita  
 Last Ten Years*

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2004	\$30,461,628	\$1,271,722,672	31,719	2.40%	\$960.36
2003	33,549,610	1,188,846,372	31,719	2.82	1,057.71
2002	26,841,475	1,173,030,296	31,719	2.29	846.23
2001	29,087,636	1,133,645,351	31,719	2.57	917.04
2000	31,065,456	993,779,072	27,018	3.13	1,149.81
1999	32,592,830	949,912,741	27,018	3.43	1,206.34
1998	34,270,064	928,338,774	27,018	3.69	1,268.42
1997	27,553,761	862,829,399	27,018	3.19	1,019.83
1996	1,953,504	831,929,447	27,018	0.23	72.30
1995	2,138,510	797,136,828	27,018	0.27	79.15

Source:

(1) School District Financial Records

(2) Cuyahoga County Auditor

(3) U.S. Census of Population, 2001 Federal Census, 2000 Federal Census

**Westlake City School District**  
*Computation of Legal Debt Margin*  
June 30, 2004

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Assessed Valuation	<u>\$1,271,722,672</u>
Debt Limit - 9% of Assessed Value (1)	\$114,455,040
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	\$34,140,000
Less: Amount Available in Debt Service Fund	<u>(3,678,372)</u>
Amount of Debt Subject to the Limit	<u>30,461,628</u>
Overall Debt Margin	<u>\$83,993,412</u>
Debt Limit - .10% of Assessed Value (1)	\$1,271,723
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$1,271,723</u>

Source: Cuyahoga County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.

**Westlake City School District**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2003*

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Westlake City School District	<u>\$34,140,000</u>	<u>100.00%</u>	<u>\$34,140,000</u>
Overlapping:			
Cuyahoga County	172,250,000	4.20	7,234,500
Regional Transit Authority	113,299,118	4.20	4,758,563
Westlake City	<u>32,944,197</u>	100.00	<u>32,944,197</u>
Total Overlapping	<u>318,493,315</u>		<u>44,937,260</u>
Total	<u><u>\$352,633,315</u></u>		<u><u>\$79,077,260</u></u>

Source: Cuyahoga County Auditor

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2003 collection year.

**Westlake City School District**  
*Ratio of Annual Debt Service Expenditures For*  
*General Obligation Bonded Debt to General Governmental Expenditures*  
*Last Ten Years*

Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2004	\$2,225,000	\$1,548,034	\$3,773,034	\$50,651,096	7.45%
2003	1,835,000	1,672,185	3,507,185	44,698,363	7.85
2002	1,685,000	1,669,923	3,354,923	42,266,267	7.94
2001	1,545,000	1,754,290	3,299,290	41,988,385	7.86
2000	1,420,000	1,826,424	3,246,424	37,822,840	8.58
1999	1,240,000	1,890,841	3,130,841	43,173,356	7.25
1998	1,050,000	1,790,341	2,840,341	54,750,699	5.19
1997	280,000	230,314	510,314	32,582,037	1.57
1996	280,000	196,687	476,687	27,843,968	1.71
1995	280,000	218,071	498,071	25,571,624	1.95

Source: School District Financial Records

## Westlake City School District

### *Demographic Statistics*

#### *Last Ten Years*

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<u>Year</u>	<u>Cuyahoga County Population (1)</u>	<u>Westlake City Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2004	1,379,049	31,719	3,917	6.6%
2003	1,380,421	31,719	3,880	6.7
2002	1,393,978	31,719	3,743	4.6
2001	1,380,421	31,719	3,754	4.5
2000	1,386,096	27,018	3,751	4.5
1999	1,386,096	27,018	3,670	4.6
1998	1,397,694	27,018	3,643	4.4
1997	1,398,169	27,018	3,751	5.8
1996	1,403,217	27,018	3,745	5.2
1995	1,403,239	27,018	3,763	4.8

(1) U.S. Census of Population, 2001 Federal Census, 2000 Federal Census

(2) School District Financial Records

(3) Represents Cuyahoga County

**Westlake City School District**  
*Property Value,*  
*Financial Institution Deposits and Building Permits*  
*Last Ten Years*

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits (000's) Banks	Value of Residential Building Permits Issued	Value of Commercial Building Permits Issued
2003	\$1,092,555,030	\$97,238,973	\$41,094,736	\$47,015,774
2002	1,072,485,940	95,761,917	44,684,226	42,101,533
2001	1,028,659,760	63,893,269	52,105,345	41,894,175
2000	893,396,390	61,942,764	52,991,580	30,588,215
1999	852,394,210	57,021,360	80,928,725	31,395,240
1998	829,261,960	56,770,353	62,927,295	121,084,840
1997	761,751,550	53,941,971	37,638,725	42,835,925
1996	738,781,830	27,068,211	43,690,510	12,431,385
1995	704,416,260	22,458,573	38,704,215	17,720,195
1994	630,571,180	20,885,453	37,057,210	10,934,095

Sources: City of Westlake Building Department reports  
and Federal Reserve Bank of Cleveland

(1) Represents assessed value.

**Westlake City School District**

*Principal Taxpayers*

*Real Estate Tax*

*December 31, 2003*

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<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Westlake Center Association Ltd.	\$9,030,950	0.76%
University Hospitals	8,898,340	0.75
Cleveland Retirement	8,688,440	0.74
Energizer Battery Manufacturing	7,381,190	0.62
Remington-OP&F, Inc.	5,901,670	0.50
J G Westlake Hotel	5,887,390	0.50
Crossings Village LLC	5,687,190	0.48
Sturbridge Square Apartments	5,507,220	0.47
King James Point, LLC	5,440,030	0.46
WXZ Arbors, LLC	5,361,760	0.45
Cleveland Airport Hospitality LLC	<u>5,039,140</u>	<u>0.43</u>
Total	<u><u>\$72,823,320</u></u>	<u><u>6.16%</u></u>

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2003 collection year.

**Westlake City School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*December 31, 2003*

Name of Taxpayer	Assessed Value (1)	Percent of Personal Property Assessed Value
USG Interiors, Incorporated	\$6,444,190	9.57%
Bonnie Bell, Incorporated	4,107,320	6.10
Eveready Battery Company	3,274,240	4.87
John M. Lance Ford, LLC	2,363,243	3.51
Truserv Corporation	2,060,251	3.06
Aluminum Line Products	1,645,120	2.44
Riser Foods Company	1,449,450	2.15
Koyo Corporation of USA	1,413,020	2.10
Nordson Corporation	1,154,740	1.72
Nick Mayer Lincoln Mercury	1,081,060	1.61
<b>Total</b>	<b>\$24,992,634</b>	<b>37.13%</b>

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2003 collection year.

**Westlake City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2003*

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<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utilities Assessed Value</u>
Cleveland Electric Illuminating Company	\$12,212,940	53.91%
Ohio Bell Telephone Company	5,441,730	24.02
Columbia Gas of Ohio, Incorporated	<u>1,922,450</u>	<u>8.49</u>
Total	<u>\$19,577,120</u>	<u>86.42%</u>

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2003 collection year.

**Westlake City School District**

*Per Pupil Cost*

*Last Ten Fiscal Years*

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<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2004	\$39,274,999	3,917	\$10,027
2003	36,103,310	3,880	9,305
2002	37,201,906	3,743	9,939
2001	34,070,826	3,754	9,076
2000	31,289,762	3,751	8,342
1999	29,686,458	3,670	8,089
1998	28,160,691	3,643	7,730
1997	27,376,821	3,751	7,299
1996	26,185,377	3,745	6,992
1995	24,035,571	3,763	6,387

Source: School District Financial Records.

**Westlake City School District**  
*Teacher Education and Experience*  
 June 30, 2004

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	17	6.27%
Bachelor + 10	4	1.48
Bachelor + 20	8	2.95
Bachelor + 30	47	17.34
Master's Degree	71	26.20
Master's + 10	35	12.92
Master's + 20	33	12.18
Master's + 30	<u>56</u>	<u>20.66</u>
Total	<u><u>271</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	35	12.92%
6 - 10	62	22.88
11 and Over	<u>174</u>	<u>64.20</u>
	<u><u>271</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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**Auditor of State  
Betty Montgomery**

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Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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 18, 2005**