

**WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT
LAKE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2003



**Auditor of State
Betty Montgomery**

**WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT
LAKE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures	3
Independent Accountants' Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i>	5
Independent Accountants' Report on Compliance with Requirements Applicable to each of its Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	7
Schedule of Findings.....	9

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**WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT
LAKE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Non-Cash Expenditures	Non-Cash Expenditures
U. S. Department of Agriculture						
<i>Passed Through the Ohio Department of Education.</i>						
<i>Nutrition Cluster:</i>						
Food Distribution	N/A	10.550	\$0	\$139,176	\$0	\$139,176
National School Breakfast Program	05-PU 02	10.553	624	0	624	0
National School Breakfast Program	05-PU 03	10.553	2,281	0	2,281	0
			2,905	0	2,905	0
National School Lunch Program	LL-P4 02	10.555	133,720	0	133,720	0
National School Lunch Program	LL-P4 03	10.555	332,050	0	332,050	0
Total National School Lunch Program			465,770	0	465,770	0
Total U.S. Department of Agriculture - Nutrition Cluster			468,675	139,176	468,675	139,176
U. S. Department of Education						
<i>Passed Through the Ohio Department of Education.</i>						
Federal Pell Grant Program	P063P024249	84.063	48,825	0	48,825	0
<i>Special Education Cluster:</i>						
Title VI B	6B-SF-02-P	84.027	1,440	0	0	0
Title VI B	6B-SF-03-P	84.027	821,222	0	864,010	0
Total Title VI B			822,662	0	864,010	0
Preschool Grant	PG-SI-02-P	84.173	0	0	7,700	0
Preschool Grant	PG-SI-03-P	84.173	39,283	0	41,325	0
Total Preschool Grant			39,283	0	49,025	0
Total Special Education Cluster			861,945	0	913,035	0
Adult Basic Education	AB-S1-02	84.002	(1,594)	0	0	0
Adult Basic Education	AB-S1-02 C	84.002	1,594	0	1,594	0
Adult Basic Education	AB-S1-03	84.002	47,490	0	47,490	0
Adult Basic Education	AB-S2-03	84.002	23,279	0	22,731	0
Adult Basic Education	AB-S2-02-P	84.002	0	0	187	0
Total Adult Basic Education			70,769	0	72,002	0
Title I	C1-S1-01	84.010	0	0	0	0
Title I	C1-S1-02	84.010	(54,650)	0	54,268	0
Title I	C1-S1-03	84.010	516,954	0	553,953	0
Total Title I			462,304	0	608,221	0
Drug Free Schools Grant	DR-S1-02	84.186	0	0	1,701	0
Drug Free Schools Grant	DR-S1-03	84.186	40,049	0	40,049	0
Total Drug Free Schools			40,049	0	41,750	0
Eisenhower Professional Development / Title II	MS-S1-02	84.281	0	0	25,226	0
Title V (Innovative Education)	C2-S1-02	84.298	0	0	16,937	0
Title V (Innovative Education)	C2-S1-03	84.298	52,870	0	39,114	0
Total Title V (Innovative Education)			52,870	0	56,051	0
Immigrant Education	E1-S1-02	84.162	0	0	1,907	0
Technology Literacy Challenge Funds	TJ-S1-03	84.318	13,150	0	11,410	0
Occupation and Employment	N/A	84.346	1,700	0	2,000	0
School Renovation Grant	AT-S1-02	84.352A	(51)	0	487	0
School Renovation Grant	AT-S2-02	84.352A	8,225	0	7,813	0
School Renovation Grant	AT-S3-02	84.352A	26,750	0	21,550	0
Total School Renovation Grant			34,924	0	29,850	0
English Language Acquisition Grant	T3-S1-03	84.365	36,898	0	36,898	0

**WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT
LAKE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
Improving Teacher Quality State Grant	TR-S1-03	84.367	290,940	0	277,660	0
Total Passed Through the Ohio Department of Education			1,914,374	0	2,124,835	0
<i>Passed Through Mentor Exempted Village School District:</i>						
Vocational Education Basic Grant	2002	84.048	7,721	0	0	0
Vocational Education Basic Grant	2003	84.048	109,107	0	113,500	0
Total Vocational Education Basic Grant			116,828	0	113,500	0
Total U. S. Department of Education			2,031,202	0	2,238,335	0
U.S. Department of Labor						
<i>Passed Through the City of Cleveland:</i>						
Adult Workforce Investment Act (WIA)	31144-002	17.258	35,970	0	35,970	0
<i>Passed Through Lake County Job & Family Services</i>						
Adult Workforce Investment Act (WIA)	N/A	17.258	7,298	0	7,298	0
Total Adult Workforce Investment Act (WIA)			43,268	0	43,268	0
<i>Passed Through the Lake County ETA:</i>						
Employment and Training Assistance	N/A	17.246	2,960	0	22	0
Employment and Training Assistance	N/A	17.246	0	0	985	0
Employment and Training Assistance	N/A	17.246	141,549	0	139,049	0
Total Employment and Training Assistance			144,509	0	140,056	0
Total U. S. Department of Labor			187,777	0	183,324	0
Corporation for National and Community Services						
<i>Direct Grant:</i>						
Retired Senior Volunteer Program	GH01SRNOH054	94.002	53,193	0	54,974	0
Total Corporation for National and Community Services			53,193	0	54,974	0
U. S. Department of Health and Human Services						
<i>Passed Through the Ohio Department of MRDD.</i>						
Medicaid (CAFS)	N/A	93.778	157,149	0	157,149	0
Total U.S. Department of Health and Human Services			157,149	0	157,149	0
Total Federal Assistance			\$2,897,996	\$139,176	\$3,102,457	\$139,176

See accompanying notes to the Schedule of Federal Awards Expenditures

**WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT
LAKE COUNTY
FISCAL YEAR ENDED JUNE 30, 2003**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Government's federal award programs. The schedule has been prepared on the cash basis of accounting.

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. Cash receipts from the U.S. Department of Agriculture are commingled with State and local grant monies. It is assumed federal monies are expended first. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C – FEDERAL TRANSFERS AND REFUNDS

The Ohio Department of Education (ODE) transferred federal monies remaining from the 2002 grant year to the 2003 grant year for two separate grants. These amounts are shown as negative receipts for the 2002 grant year and positive receipts in the 2003 grant year. This action by ODE allowed the District to extend the availability period for expenditure of these receipts. The District also had to return funds to ODE for the School Renovation Grant because the District did not spend all of the allocated funds.

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Auditor of State Betty Montgomery

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

Board of Education
Willoughby-Eastlake City School District
Lake County
37047 Ridge Road
Willoughby, Ohio 44094

We have audited the financial statements of the Willoughby-Eastlake City School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003. 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 performed tests of 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 19, 2003.

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 management of the District in a separate letter dated December 19, 2003.

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This report is intended for the information and use of the audit committee, management, 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 19, 2003



Auditor of State Betty Montgomery

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

Board of Education
Willoughby-Eastlake City School District
Lake County
37047 Ridge Road
Willoughby, Ohio 44094

Compliance

We have audited the compliance of the Willoughby-Eastlake 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 each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are 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 each of its major federal programs are the responsibility of the 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 the 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 each of its major federal programs for the year ended June 30, 2003. We noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 19, 2003.

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.

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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. We noted other 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 19, 2003.

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards 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 the audit committee, management, 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 19, 2003

**WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT
LAKE COUNTY
JUNE 30, 2003**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.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)?	No
(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 §.510?	No
(d)(1)(vii)	Major Programs (list):	Title I / 84.010 and Improving Teacher Quality State Grant / 84.367
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT
WILLOUGHBY, OHIO**

**Comprehensive
Annual Financial Report
For the Fiscal Year Ended June 30, 2003**

Prepared by

**Clifford A. Reinhardt
Treasurer**

Willoughby-Eastlake City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
Table of Contents

	Page
I. Introductory Section	
Table of Contents	i
Letter of Transmittal	iv
List of Principal Officials	xii
Organization Chart	xiii
GFOA Certificate of Achievement	xiv
II. Financial Section	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	18
Statement of Fund Net Assets – Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	20
Statement of Cash Flows – Proprietary Funds	21
Statement of Fiduciary Assets and Liabilities – Fiduciary Fund	23
Notes to the Basic Financial Statements	24
Combining and Individual Fund Statements and Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions	49
Combining Balance Sheet – Nonmajor Governmental Funds	52

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	53
Combining Balance Sheet – Nonmajor Special Revenue Funds	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	58
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	63
Combining Statements – Nonmajor Proprietary Funds:	
Fund Descriptions	64
Combining Statement of Fund Net Assets - Nonmajor Enterprise Funds	65
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Nonmajor Enterprise Funds.....	67
Combining Statement of Cashflows - Nonmajor Enterprise Funds.....	69
Individual Fund Statement – Agency Fund	
Fund Description.....	73
Statement of Changes in Assets and Liabilities	73
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual:	
Major Fund	
General Fund.....	75
Nonmajor Funds	
Special Trust Fund	79
Public School Support Fund	81
Athletics and Music Fund	83
Auxiliary Services Fund	85
Career Development Fund	86
Adult LPN Fund.....	87
Preschool At Risk Fund	88
School Net Professional Development Fund	89
Educational Management Information Systems Fund	90
Ohio Reads Grant Fund	91
Conflict Management Grant Fund	92
School Security Fund.....	93
Adult Basic Education Fund	94
Job Training Partnership Act Fund	95
Eisenhower Math and Science Fund	96
Title VI-B Fund.....	97
Vocational Education Fund.....	99
Bilingual Education	100
Retired Senior Volunteer Program Fund	101
Title I Fund	102
Title V Fund.....	104

Emergency Immigrant Education Fund	105
Drug Free Schools Grant Fund	106
Preschool Grant Fund	107
Continuous Improvement Grant Fund	108
Bond Retirement Fund.....	109
Permanent Improvement Fund.....	110
School Net Plus Fund.....	112
Network Connectivity Fund.....	113
Food Service Fund	114
Uniform School Supplies Fund.....	115
Special Services Fund	116
Community Education Fund	117
Latchkey/Preschool Fund.....	118
Self-Insurance Fund	119

III. Statistical Section

Governmental Activities Revenues by Source and Expenses by Function--Last Two Fiscal Years	S1
General Fund Revenues by Source and Expenditures by Function--Last Ten Fiscal Years	S2
Property Tax Levies and Collections--Last Ten Years.....	S4
Assessed and Estimated Actual Value of Taxable Property--Last Ten Years	S6
Property Tax Rates--Direct and Overlapping Governments--Last Ten Years.....	S8
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita--Last Ten Years.....	S10
Computation of Legal Debt Margin	S11
Computation of Direct and Overlapping General Obligation Bonded Debt	S12
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to General Fund Expenditures--Last Ten Fiscal Years	S13
Demographic Statistics--Last Ten Years	S14
Property Value, Financial Institution Deposits and Building Permits--Last Ten Years	S15
Principal Taxpayers: Real Estate Tax.....	S16
Tangible Personal Property Tax	S17
Public Utilities Tax.....	S18
Per Pupil Cost--Last Ten Fiscal Years.....	S19
Teacher Education and Experience	S20

Willoughby-Eastlake Board of Education

Keith Miller, Ph.D., Superintendent
Cliff Reinhardt, Treasurer

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Michon N. Koch, President
Wade A. Mitchell, Vice-President
James Carpenter
Elaine Kranek
Margaret Warner

December 19, 2003

Board of Education Members
Willoughby-Eastlake City School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Willoughby-Eastlake City School District for the fiscal year ended June 30, 2003. 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 Willoughby-Eastlake City School District with the 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 School District Cities and Villages, the Willoughby-Eastlake 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, the Organization 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 overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules providing detailed information relative to the Basic Financial Statements.
3. **The Statistical Section** which presents social and economic data, financial trends and the fiscal capacity of the Willoughby-Eastlake City School District.

The School District

The School District is the 23rd largest of the 613 school districts in the State and second largest of the 9 school districts in Lake County. Located in northeastern Ohio, approximately 20 miles east of the City of Cleveland, it provides education to 8,908 students in grades K through 12. The School District's territory is approximately 36 square miles and encompasses all of the cities of Eastlake, Willoughby Hills, and Willowick and most of the City of Willoughby. It also encompasses all of the Villages of Lakeline and Timberlake and part of the Village of Waite Hill.

The School District operates two comprehensive high schools: Eastlake North and Willoughby South. Additionally, the Technical Center vocational high school is located in the City of Willoughby. Three middle schools housing students in grades six through eight are located in Eastlake, Willoughby and Willowick. Seven elementary schools serve kindergarten through fifth grade students:

Edison	- Willoughby	McKinley	- Willoughby
Grant	- Willoughby	Royalview	- Willowick
Jefferson	- Eastlake	Washington	- Eastlake
Longfellow	- Eastlake		

If space is available, a student has the choice of attending any school within the School District if the needs of the child and family would be better served than attending the school of residence. However, if transportation is not already being provided, it is the responsibility of the parents to provide transportation.

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 mandated by State and Federal agencies.

Special Services for Students

In addition to the regular school program, the School District provides a variety of special choices such as:

- All day every day kindergarten.
- Elementary and secondary summer school.
- Self-contained and pullout programs to provide appropriate educational alternatives for high-ability learners.
- A “magnet” program for fourth and fifth graders with average to above average achievement for additional educational opportunities in computer education and foreign language at each of the three middle schools.
- Participation in the East Shore Special Education Regional Resource Center program which provides unique educational services to special needs students.
- A self-contained alternative school housed at the Technical Center for low achievement seventh through tenth graders.
- A vocational program at North High School and the Technical Center for developmentally disabled students.
- Participation in the Lake Shore Vocational Educational Planning District which enables School District students to enroll in vocational programs that are not offered at Willoughby-Eastlake.
- Preschool for three and four year olds at two of the elementary schools (In addition to the required program for disabled preschoolers).
- Before and after school child care at each of the elementary schools and an all day summer program at two of the elementary schools.

Community Services

The School District offers the following:

- A two-year Licensed Practical Nurse training program.
- An Adult Basic Literacy Education program to prepare for the General Equivalency Diploma (GED) test.
- GED testing.
- Retired Senior Volunteer Program (RSVP).

Although enrollment has stabilized in the past seven years, declining enrollment in previous years caused excess building capacity throughout the School District. Lincoln was sold to the City of Willoughby in 2000 for \$250,000 to be paid over a five-year period. Browning in Willoughby is used exclusively by that City as a senior citizens center. Garfield in the City of Willoughby Hills is partially leased and the City also utilizes a portion of the building for recreational activities. Cricket Lane in Willoughby Hills is partially leased, and Taft in Eastlake is completely leased to several tenants. Kennedy in Eastlake is partially leased and is the site for Board of Education meetings. All buildings are leased on an annual basis.

The School District also owns 40 acres of undeveloped land consisting of a natural ravine located across from the administration building on Ridge Road in Willoughby.

The Reporting Entity

Willoughby-Eastlake City School District has reviewed its reporting entity definition in order to ensure 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 Willoughby-Eastlake 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 Cities of Eastlake, Willoughby, Willoughby Hills and Willowick; the Villages of Lakeline, Timberlake, and Waite Hill; the Willoughby-Eastlake Public Library; and school support organizations, e.g. the Parent Teacher Organization.

The School District participates in three jointly governed organizations, a related organization and one insurance purchasing pool. These organizations are the East Shore Center, the East Shore Regional Transportation System, Ohio Schools Council, the Willoughby-Eastlake Public Library and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 15, 16 and 17 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 Eastlake continues with plans for the revitalization of Vine Street, the main commercial thoroughfare, by hiring Urban Design Center as a consultant. The City constructed a minor league baseball stadium which opened in the spring of 2003. The City takes an active stance in retention and expansion of business and considers tax incentives when deemed feasible. Although there is little undeveloped residential property, an industrial park was opened on Erie Road. Erie Road was replaced and sidewalks were added from the City of Willoughby line to Lake Shore Boulevard. Since the City began internal collection of income taxes, collections have increased.

The City of Willoughby's economic condition and outlook continue to be very positive. Income tax revenues increased by 0.8 percent in 2001 and have increased by more than 20 per cent in the last five years. Construction of a new satellite fire station and major expansion and renovation of the main station were completed at a cost of \$6,500,000 which were financed through a bond levy.

The restoration of the historic downtown area continues with the renovation of several buildings and opening of new businesses. The City installed historic style lighting and placed brick pavers in the sidewalk and intersection. Construction of a second municipal pool was completed at a cost of \$1,800,000 paid with current resources.

Major Initiatives

For this year and for the next several years, the School District is focusing efforts on three goals:

- High Student Achievement
- Safe Secure Schools
- Efficient School Operations

Each activity that occurs in the schools is measured against the degree to which it promotes at least one of these three goals. An activity may not promote one goal at the expense of another.

The current fiscal plan recognizes the following open issues that must be addressed within the next five years:

- The renewal of the existing emergency levies (in 2003 and 2007).
- The renewal of the existing permanent improvement levy in 2006.
- Judicial or legislative action on school funding reform.
- Funding of the School District technology plan.
- Development and funding of a technology replacement schedule.
- Funding the educational improvement plan.
- Updating the five-year budget plan.

During the past year the following were achieved:

- Revised course of study, based on new standards for:
 - Science (kindergarten – grade12)
 - Social Studies (kindergarten – grade 12)
- In conjunction with the progress on the Continuous Improvement Plan, the District applied for the Ohio Award of Excellence and received level-one recognition.
- Continued effective rating on the State report card with a score of 19 out of a possible 22.
- Continuance of the process of aligning the curriculum (curriculum mapping) with the information covered on the Ohio Department of Education proficiency tests and the Ohio Graduation Test.
- The math and literacy consultants will continue to work with elementary school students and teachers to assess each student's needs in math and reading.

- Increase in elementary school proficiency test scores in all five areas (math, science, reading, writing, and citizenship).
- Installation of a computer lab at one elementary school.
- Recognition and numerous awards received by staff and students some of which are:

South High School scored second in the State of Ohio Academic Decathlon Team Competition.

North High School was the top scoring school in the State of Ohio Academic Decathlon Team Competition and placed ninth in the national competition.

Seventeen students represented the Tech Center in the Business Professionals of America State competition, after winning at the regional level.

The South High School Marching Band earned a “Superior I” rating in the Ohio Music Education Association Competition.

North High’s Searchlight received an international award from Quill and Scroll; first place from the National Scholastic Press Association; and a gold medalist award from the Columbia Press Association.

In 1986 the School District voters approved a 1.3 mill five-year permanent improvement levy which was renewed again in May 2000. Approximately \$1,400,000 is provided annually for capital improvements, maintenance, and equipment. CT Consultants of Willoughby, a professional engineering firm, completed a comprehensive 15-year needs assessment of buildings and facilities. The findings from this study provide direction for the Board and administration in determining short and long-term spending priorities from the proceeds of the levy. Major spending for 2002-03 was for boiler replacements, building and roof repairs and asphalt repairs of the transportation department.

Financial Information

Internal Accounting and Budgetary Control

The School District’s accounting system is organized on a “fund” basis. Each fund is a distinct self-balancing accounting entity. Reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available and expenditures are recognized when goods and services are received. Reports of the School District’s proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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 treasurer’s office has established procedures for the collection of money that minimize risk to the district and also has responsibility for the district internal audit program. Annual audits are done for student activities, latchkey, preschool and other programs in which cash is received.

The School District uses fully automated accounting, payroll and student records systems from Ace Software, an Ohio vendor that specializes in software for school districts. Capital assets and student fee records are maintained with programs written by the School District's computer services department. These systems, coupled with the separation of duties within the treasurer's office and other departments, ensures that the financial information generated is both accurate and reliable.

By July 1 of each year, the Board of Education adopts a temporary appropriation measure for the July 1 through June 30 fiscal year. The permanent appropriation measure is adopted by October 1 (upon receipt from the county auditor of an amended certificate of estimated resources). Annual appropriations may not exceed the county budget commission's official estimate of resources. The county auditor must certify that the appropriations adopted by the Board of Education, including any supplements or amendments, do not exceed the amount of the most recent official estimate.

Each year the Board of Education adopts a resolution at the organizational meeting authorizing the treasurer to make account transfers and advances to be submitted to the Board for approval at the same meeting in which financial statements for that month are presented. Budgets are controlled in accordance with the Auditor of State Uniform School Accounting System.

The Board of Education appropriates general fund money to seven broad categories: salaries and wages, fringe benefits, purchased services, supplies/materials, new equipment, replacement equipment and "other". Expenditures are then subdivided, by the treasurer, into hundreds of expenditure accounts in accordance with Uniform State Accounting System and to meet the reporting requirements of the Ohio Department of Education. The appropriation for all other funds is one total per fund. Again, accounts are established within each fund to meet reporting requirements.

The treasurer certifies each purchase to ensure that money will be available to meet the financial obligation incurred. The School District has established procedures to minimize the probability of a purchase being made without authorization. Depending upon the nature of the purchase order, in addition to the treasurer's certification, the purchase order is either signed by the superintendent, a central office administrator or a principal.

The accounting software used by the School District provides interim financial reports to principals, activity advisors, athletic directors, persons responsible for state and federal grants and other interested persons. These reports detail year-to-date expenditures, outstanding encumbrances (unpaid purchase orders) and unencumbered balances (amounts available for spending). The treasurer also prepares a monthly financial report for acceptance by the Board of Education.

The basis of accounting and the various funds utilized by the Willoughby-Eastlake City School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Financial Condition This is the second year the School District has prepared financial statements following GASB 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.

Statements 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 Discussion and Analysis of the School District. This discussion follows the Independent Accountants' Report, providing an assessment of the School District's finances for 2003 and a discussion of current issues affecting the School District's future.

Cash Management

The majority of local, state and federal funds are received by electronic transfer into the School District checking account. Money is also collected and deposited daily at each school for food service, school fees, student activities and athletics. The Treasurer is the investment officer for the School District, charged with the responsibility for the purchase and sale of investments. A determination is made daily on cash flow needs and the balance of funds is invested. The total amount of interest earned for the fiscal year ended June 30, 2003 was \$316,543. Of that, \$312,126 was credited to the general fund. Cash not needed for immediate use during the year was invested in the State Treasurer's Asset Reserve of Ohio (STAROhio), "high balance" savings accounts offered by Bank One and Fifth Third bank and Agency discount notes.

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 Board, and designated third party trustees of the financial institutions.

Risk Management

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program. Contracts also cover general liability, fleet, and property insurance. See Note 10 to the Basic Financial Statements for more information.

Pension Plans

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's required contribution to both systems is 14 percent of employee salaries. Additionally, SERS imposes a "surcharge" on employees who earn less than \$14,500. For fiscal year 2003, this additional charge to the School District was \$255,723. See Notes 11 and 12.

Independent Audit

Ohio Revised Code requires that the School District be subjected to an annual examination by an independent auditor. The Auditor of State performed the audit and rendered an opinion on the School District's financial statements as of and for the year ended June 30, 2003. The opinion appears at the beginning of the financial section of this report.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

The Willoughby-Eastlake City School District was awarded the GFOA Certificate of Achievement for the period of July 1999 through June 2002.

We believe our current report conforms to the Certificate of Achievement requirements and we are submitting it to GFOA for consideration.

Acknowledgments

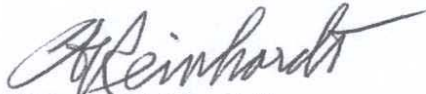
This is the fourth year that the School District has issued a Comprehensive Annual Financial Report. The publication of this report is a significant step toward professionalizing the Willoughby-Eastlake City School District's financial reporting. It enhances the School District's accountability to the residents of the Willoughby-Eastlake 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. Assistance from the County Auditor's staff made possible the fair presentation of statistical data.

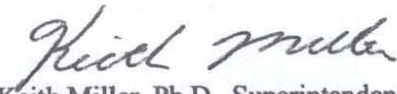
Thanks also to the Local Government Services Division of the State Auditor's office for assistance in planning and reviewing this financial report.

Finally, sincere appreciation is extended to the members of the Board of Education for their ongoing support.

Respectfully submitted,



Clifford A. Reinhardt, Treasurer



Keith Miller, Ph.D., Superintendent

Willoughby-Eastlake City School District

Principal Officials
June 30, 2003

Board of Education

<u>Name</u>	<u>Position</u>	<u>Began Service as a Board Member In</u>	<u>Present Term Expires December 31</u>	<u>City of Residence</u>
Michon N. Koch	President	1992	2005	Willoughby Hills
Wade Mitchell	Vice-President	1998	2005	Willoughby
James Carpenter	Member	1982	2005	Willoughby
Elaine Kranek	Member	1996	2003	Eastlake
Margaret Warner	Member	1997	2003	Willoughby

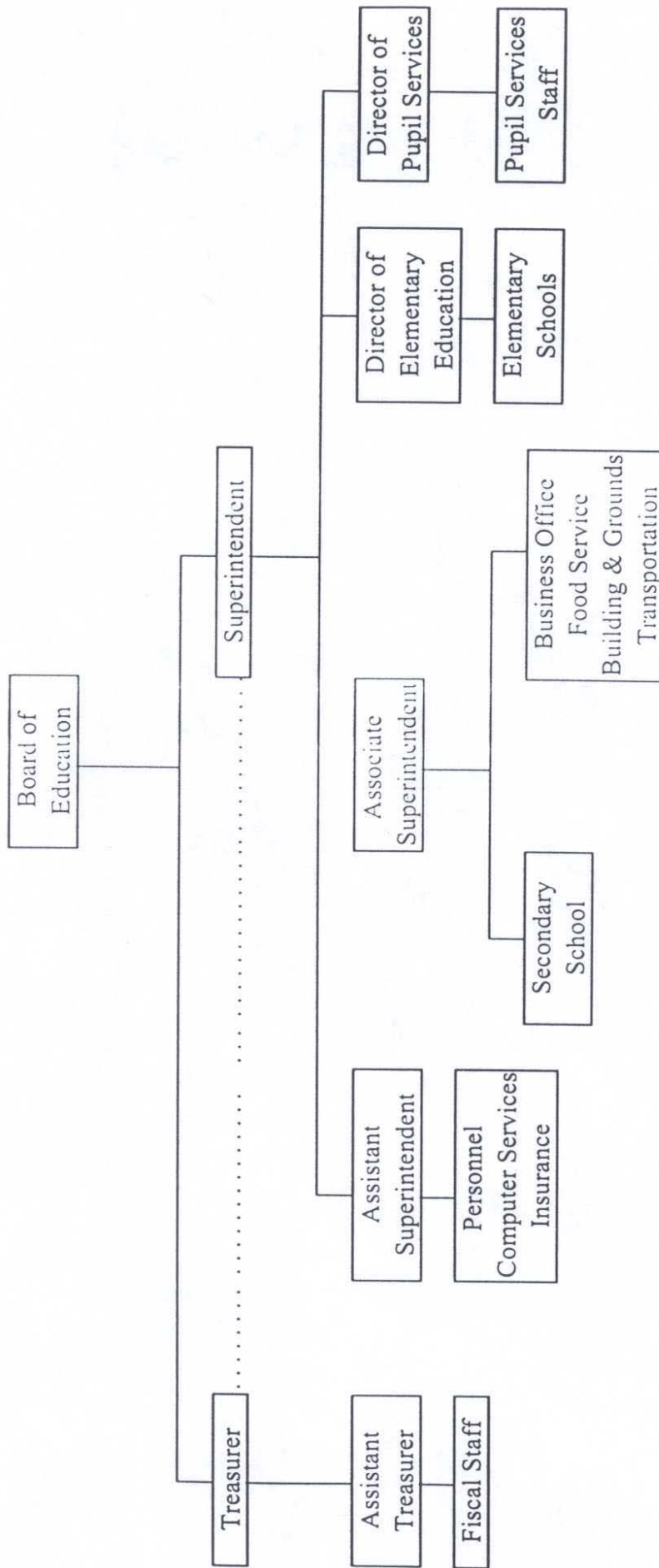
Treasurer

Clifford A. Reinhardt

Superintendent

Keith M. Miller, Ph.D.

WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Willoughby-East Lake
City School District, Ohio

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

June 30, 2002

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



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Board of Education
Willoughby-Eastlake City School District
37047 Ridge Road
Willoughby, Ohio 44094

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Willoughby-Eastlake City School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2003, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Willoughby-Eastlake City School District, Lake County, Ohio, as of June 30, 2003, and the respective changes in financial position and 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 19, 2003, 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 non-major fund statements, and statistical statements are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual fund statements 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 19, 2003

Willoughby-Eastlake City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

The discussion and analysis of the Willoughby-Eastlake City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- Total net assets decreased \$2.0 million, comprised mainly of a decrease of \$2.0 million in governmental activities and a minimal increase in business-type activities.
- Total revenues in governmental activities were \$72.3 million. General revenues accounted for \$65.1 million in revenue or 90.1 percent of all revenues for governmental activities. Program-specific revenues in the form of charges for services, sales, grants or contributions accounted for \$7.2 million or 9.9 percent of total revenues.
- Total program expenses were \$74.2 million in governmental activities and \$3.2 million in business-type activities.
- Outstanding debt decreased by \$190,000 to \$2.4 million.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Willoughby-Eastlake City School District as an entire operating entity. The statements begin at a summary level and expand to detailed financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the entire School District, presenting both an aggregate view of the School District's current finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present 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. The general fund is the most significant governmental fund.

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 an entity looks at all financial transactions and asks the question, "How did we do financially during the 2002-2003 fiscal year?" The *Statement of Net Assets* and the *Statement of Activities* answers 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. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Willoughby-Eastlake City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

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. Changes to our net assets are a direct result of property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated educational programs, state funding, student enrollment, and general inflation.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two major activities:

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services operation and maintenance of plant, pupil transportation, extracurricular activities and general administration.

Business-Type Activities - These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The School District's business-type activities are food service, uniform school supplies, special services, community education and latchkey/preschool.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major fund. The School District uses many funds to account for its financial transactions. However, these fund financial statements concentrate on the School District's most significant funds. The School District's major governmental fund is the general fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which accounts for flow of money into and out of those funds and the year-end balances available for spending in future years. These funds are reported using 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 the reader determine the amount of 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.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the School District as a whole.

Willoughby-Eastlake City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

The School District as a Whole

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 2003 compared to 2002:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	\$56,620,070	\$56,024,269	\$279,862	\$202,478	\$56,899,932	\$56,226,747
Capital Assets, Net	9,869,903	9,948,247	46,552	39,790	9,916,455	9,988,037
<i>Total Assets</i>	<u>66,489,973</u>	<u>65,972,516</u>	<u>326,414</u>	<u>242,268</u>	<u>66,816,387</u>	<u>66,214,784</u>
Liabilities						
Current and Other Liabilities	47,556,626	44,791,967	166,210	128,459	47,722,836	44,920,426
Long-Term Liabilities:						
Due Within One Year	1,169,625	1,226,237	12,573	0	1,182,198	1,226,237
Due in More than One Year	9,918,041	10,033,671	129,817	122,876	10,047,858	10,156,547
<i>Total Liabilities</i>	<u>58,644,292</u>	<u>56,051,875</u>	<u>308,600</u>	<u>251,335</u>	<u>58,952,892</u>	<u>56,303,210</u>
Net Assets						
Invested in Capital Assets	9,869,903	9,923,143	46,552	39,790	9,916,455	9,962,933
Restricted:						
Capital Projects	1,688,923	2,526,572	0	0	1,688,923	2,526,572
Debt Service	258,573	212,449	0	0	258,573	212,449
Set Asides	1,051,386	7,935	0	0	1,051,386	7,935
Other Purposes	742,270	370,914	0	0	742,270	370,914
Unrestricted (Deficit)	<u>(5,765,374)</u>	<u>(3,120,372)</u>	<u>(28,738)</u>	<u>(48,857)</u>	<u>(5,794,112)</u>	<u>(3,169,229)</u>
<i>Total Net Assets</i>	<u>\$7,845,681</u>	<u>\$9,920,641</u>	<u>\$17,814</u>	<u>(\$9,067)</u>	<u>\$7,863,495</u>	<u>\$9,911,574</u>

Total assets increased by \$.5 million. Equity in pooled cash and cash equivalents decreased by \$2.4 million and taxes receivable decreased by \$2.4 million. These decreases were offset by increases in accounts and intergovernmental receivables and prepaid items.

Liabilities for governmental activities decreased by \$2.6 million. This decrease was primarily the result of a decrease in deferred revenue of \$3.4 million. This decrease was offset by an increase in accrued wages, intergovernmental and claims payables.

Willoughby-Eastlake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 2 shows the changes in net assets for fiscal year 2003 compared to fiscal year 2002.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Revenues						
Program Revenues:						
Charges for Services	\$1,903,306	\$2,320,138	\$2,376,791	\$2,405,280	\$4,280,097	\$4,725,418
Operating Grants and Contributions	4,603,242	3,411,408	646,528	672,334	5,249,770	4,083,742
Capital Grants	659,697	45,500	13,254	24,616	672,951	70,116
<i>Total Program Revenues</i>	<u>7,166,245</u>	<u>5,777,046</u>	<u>3,036,573</u>	<u>3,102,230</u>	<u>10,202,818</u>	<u>8,879,276</u>
General Revenues:						
Property Taxes	44,238,699	45,290,368	0	0	44,238,699	45,290,368
Grants and Entitlements	20,018,302	18,226,009	0	0	20,018,302	18,226,009
Investment Earnings	316,543	0	0	0	316,543	0
Miscellaneous	567,801	1,129,162	483	3,265	568,284	1,132,427
<i>Total General Revenues</i>	<u>65,141,345</u>	<u>64,645,539</u>	<u>483</u>	<u>3,265</u>	<u>65,141,828</u>	<u>64,648,804</u>
Total Revenues	<u>72,307,590</u>	<u>70,422,585</u>	<u>3,037,056</u>	<u>3,105,495</u>	<u>75,344,646</u>	<u>73,528,080</u>
Program Expenses						
Instruction	44,690,304	42,630,584	0	0	44,690,304	42,630,584
Support Services:						
Pupil and Instructional Staff	7,515,411	6,961,733	0	0	7,515,411	6,961,733
Board of Education, Administration, Fiscal and Business	6,262,529	5,975,140	0	0	6,262,529	5,975,140
Operation and Maintenance of Plant	7,219,331	7,250,968	0	0	7,219,331	7,250,968
Pupil Transportation	4,882,342	3,463,783	0	0	4,882,342	3,463,783
Central	747,013	900,283	0	0	747,013	900,283
Operation of Non-Instructional Services	1,018,816	924,491	0	0	1,018,816	924,491
Extracurricular Activities	1,731,131	1,694,132	0	0	1,731,131	1,694,132
Interest and Fiscal Charges	160,204	171,470	0	0	160,204	171,470
Food Service	0	0	2,294,019	2,306,614	2,294,019	2,306,614
Uniform School Supplies	0	0	406,212	377,403	406,212	377,403
Special Services	0	0	22,126	26,435	22,126	26,435
Community Education	0	0	16,093	9,513	16,093	9,513
Latchkey/Preschool	0	0	427,194	476,003	427,194	476,003
<i>Total Program Expenses</i>	<u>74,227,081</u>	<u>69,972,584</u>	<u>3,165,644</u>	<u>3,195,968</u>	<u>77,392,725</u>	<u>73,168,552</u>
Increase (Decrease) in						
Net Assets Before Transfers	(1,919,491)	450,001	(128,588)	(90,473)	(2,048,079)	359,528
Operating Transfers	(155,469)	48,110	155,469	(48,110)	0	0
Increase (Decrease) in Net Assets	(2,074,960)	498,111	26,881	(138,583)	(2,048,079)	359,528
<i>Net Assets Beginning of Year</i>	<u>9,920,641</u>	<u>9,422,530</u>	<u>(9,067)</u>	<u>129,516</u>	<u>9,911,574</u>	<u>9,552,046</u>
<i>Net Assets End of Year</i>	<u>\$7,845,681</u>	<u>\$9,920,641</u>	<u>\$17,814</u>	<u>(\$9,067)</u>	<u>\$7,863,495</u>	<u>\$9,911,574</u>

Willoughby-Eastlake City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

The unusual nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. As a result of legislation enacted in 1976, the overall revenue generated by a voted millage does not increase as a result of inflation. As an example, a homeowner with a home valued at \$100,000 (Assessed value of \$35,000) and taxed at 1.0 mill would pay \$30.63 annually in taxes (net of the state-paid rollback). If three years later the home were reappraised and increased in market value to \$200,000 (assessed value of \$70,000) the effective tax rate would become 0.5 mills and the owner would still pay \$30.63.

Our School District, which is very dependent upon local property taxes, is hampered by a lack of revenue growth and must periodically ask the voters to increase property taxes to maintain a constant level of service. Property taxes made up 61.2 percent of revenues for governmental activities for Willoughby-Eastlake City Schools in fiscal year 2003.

The largest Governmental Activities program expense remains instruction, comprising 60.2 percent of expenses. When combined with pupil and instructional support these categories make up 70.3 percent of expenses. The \$1.4 million increase in pupil transportation is primarily due to a change in the allocation of retirement costs in fiscal year 2003.

Interest expense was primarily attributable to the outstanding bonds.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, (services supported by tax revenue and unrestricted State entitlements, the total cost of services and the net cost of services of fiscal year 2003 compared to fiscal year 2002.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2003	2002	2003	2002
Instruction	\$44,690,304	\$42,630,584	(\$42,285,185)	(\$40,137,185)
Support Services:				
Pupil and Instructional Staff	7,515,411	6,961,733	(5,469,554)	(5,869,487)
Board of Education, Administration, Fiscal and Business	6,262,529	5,975,140	(5,929,597)	(5,775,338)
Operation and Maintenance	7,219,331	7,250,968	(6,687,796)	(6,921,578)
Pupil Transportation	4,882,342	3,463,783	(4,657,024)	(3,454,834)
Central	747,013	900,283	(657,333)	(822,026)
Operation of Non-Instructional Services	1,018,816	924,491	(167,485)	(52,681)
Extracurricular Activities	1,731,131	1,694,132	(1,046,658)	(990,939)
Interest and Fiscal Charges	160,204	171,470	(160,204)	(171,470)
Total Expenses	\$74,227,081	\$69,972,584	(\$67,060,836)	(\$64,195,538)

The dependence upon tax revenues for governmental activities is apparent. Property taxes cover 99.0 percent of the cost of instruction, for all governmental activities. Our seven communities are responsible for the primary support for Willoughby-Eastlake City School District students.

Willoughby-Eastlake City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited*

Business-Type Activities

Business-type activities include the food service, uniform school supplies, special services, community education and latchkey/preschool programs.

Overall net assets increased \$26,881 in 2003. With the exception of the food service fund, business-type activities cash positions are consistently positive.

The School District's Funds

Information about the School District's major fund starts on page 14. This governmental fund is accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$72.6 million and expenditures of \$74.4 million. The net change in fund balance for the year was most significant in the General Fund, a decrease of \$1.4 million.

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 budgeted fund is the General Fund.

During the course of fiscal year 2003 the School District amended its general fund budget several times to allow for a transfer to the self-insurance fund and other less significant amendments.

For the general fund, the final budget-basis estimated revenue was \$63.6 million, \$2.3 million below the original budget estimate of \$65.9 million primarily due to a reduction in the tax estimate. Total actual revenues were \$63.7 million, \$2.2 million below the original budget estimate.

Total actual expenditures on the budget basis (cash outlays plus encumbrances) were \$66.2 million.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2003 the School District had \$9.9 million, net of depreciation, invested in land, buildings and improvements, furniture and equipment and vehicles. Table 4 shows fiscal 2003 balances compared to fiscal 2002:

Willoughby-Eastlake City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited*

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$560,374	\$560,374	\$0	\$0	\$560,374	\$560,374
Buildings and Improvements	7,451,659	7,791,693	0	0	7,451,659	7,791,693
Furniture and Equipment	561,468	645,784	46,552	39,790	608,020	685,574
Vehicles	1,296,402	950,396	0	0	1,296,402	950,396
Totals	<u>\$9,869,903</u>	<u>\$9,948,247</u>	<u>\$46,552</u>	<u>\$39,790</u>	<u>\$9,916,455</u>	<u>\$9,988,037</u>

The primary increase occurred in vehicles, due to the purchase of seven new buses. The primary decrease occurred in buildings and improvements, due to depreciation costs. See Note 9 to the basic financial statements for additional information on capital assets.

A change in Ohio law required school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for instructional materials. For fiscal 2003, this amounted to \$1.2 million for each set aside. For fiscal 2003 the School District had qualifying disbursements for textbook and instructional materials that fell short of that requirement by \$1,051,386. That remaining balance is put into restricted assets. The School District met the capital expenditure set aside requirement by having a permanent improvement fund.

Debt

At June 30, 2003, the Willoughby-Eastlake School District Library had \$2.4 million in bonds outstanding, a decrease of \$190,000 from fiscal year 2002. \$205,000 of the bonds are due within one year.

The bonds were issued in 1992 for improvements to the public library in the amount of \$4 million.

At June 30, 2003, the School District's overall legal debt margin was \$135,803,997 with an unvoted debt margin of \$1,532,711. The School District does not have a current bond rating. See Note 14 to the basic financial statements for additional information on debt.

Current Issues

The Willoughby-Eastlake City School District is financially stable. The Board of Education and administration have implemented fiscal management disciplines that utilize a variety of formal plans. We are working within the five-year budget plan, the five-year capital repairs and renovations plan, the continuous improvement plan, and the five-year enrollment projections.

The School District has the necessary revenue base to support current program levels for only the next three fiscal years. Our future revenue base is dependent upon the renewal of an emergency levy expiring in 2004 and in 2007. In May of 2003, the District passed a new \$7.6 million emergency levy that replaced the \$3 million levy which expires December 31, 2003.

Willoughby-Eastlake City School District

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited*

Several significant legislative and judicial actions have occurred that will have a major impact on our School District. The Ohio Supreme Court has issued its fourth decision regarding school funding reform in Ohio. We believe that the ultimate resolution of funding reform is still some time away. The sudden downturn in the economy has put pressures on both the State budget as well as our local School District budget. We are concerned that the local tax base may be weakened as a result of the current economic conditions and therefore negatively impact local tax revenues. The ongoing legislative efforts to support the existence of community (charter) schools come at the expense of our current State subsidy. This year approximately \$103,000 will be deducted from our State subsidy and redirected to local community (charter) schools. Our School District has also been impacted by the continuing national trend of rapidly escalating employee benefit costs.

The Willoughby-Eastlake City School District has committed itself to a fiscal discipline based on long-term plans as well as a commitment to full disclosure of financial information and utilization of the highest standards of financial reporting. The School District's commitment to improve fiscal management has led to many budgeting, reporting and internal control enhancements. The School District has received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for two years.

Contacting the School District fiscal management

This financial report was designed to comply with the most current reporting requirements and is intended to provide our parents, citizens, taxpayers, investors and creditors an understanding of the School District's financial position. Cliff Reinhardt, Treasurer, can be contacted at the Willoughby-Eastlake City School District, 37047 Ridge Road, Willoughby, Ohio 44094 or by e-mail at we_reinhardt@lgca.org.

Willoughby-Eastlake City School District*Statement of Net Assets**June 30, 2003*

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$10,667,372	\$247,010	\$10,914,382
Accounts Receivable	189,214	2,555	191,769
Intergovernmental Receivable	505,001	0	505,001
Prepaid Items	190,867	0	190,867
Inventory Held for Resale	0	28,787	28,787
Materials and Supplies Inventory	0	1,510	1,510
Taxes Receivable	45,067,616	0	45,067,616
Nondepreciable Capital Assets	560,374	0	560,374
Depreciable Capital Assets, Net	9,309,529	46,552	9,356,081
<i>Total Assets</i>	<u>66,489,973</u>	<u>326,414</u>	<u>66,816,387</u>
Liabilities			
Accounts Payable	335,626	112	335,738
Accrued Wages	5,832,411	53,797	5,886,208
Intergovernmental Payable	2,515,078	112,301	2,627,379
Accrued Interest Payable	12,948	0	12,948
Deferred Revenue	37,710,163	0	37,710,163
Claims Payable	1,150,400	0	1,150,400
Long-Term Liabilities:			
Due Within One Year	1,169,625	12,573	1,182,198
Due In More Than One Year	9,918,041	129,817	10,047,858
<i>Total Liabilities</i>	<u>58,644,292</u>	<u>308,600</u>	<u>58,952,892</u>
Net Assets			
Invested in Capital Assets	9,869,903	46,552	9,916,455
Restricted for:			
Capital Projects	1,688,923	0	1,688,923
Debt Service	258,573	0	258,573
Set Asides	1,051,386	0	1,051,386
Other Purposes	742,270	0	742,270
Unrestricted (Deficit)	(5,765,374)	(28,738)	(5,794,112)
<i>Total Net Assets</i>	<u>\$7,845,681</u>	<u>\$17,814</u>	<u>\$7,863,495</u>

See accompanying notes to the basic financial statements

Willoughby-Eastlake City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2003

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$32,662,076	\$535,220	\$652,160	\$0
Special	7,455,491	104,154	635,560	0
Vocational	4,294,026	64,715	108,344	0
Adult/Continuing	278,711	187,186	117,780	0
Support Services:				
Pupil	4,673,505	151,666	968,408	132,594
Instructional Staff	2,841,906	51,512	741,677	0
Board of Education	159,898	2,346	1,392	4,486
Administration	4,481,120	166,473	101,213	0
Fiscal	1,179,809	17,508	10,386	18,525
Business	441,702	6,655	3,948	0
Operation and Maintenance of Plant	7,219,331	97,347	56,009	378,179
Pupil Transportation	4,882,342	72,258	69,147	83,913
Central	747,013	9,739	37,941	42,000
Operation of Non-Instructional Services	1,018,816	5,943	845,388	0
Extracurricular Activities	1,731,131	430,584	253,889	0
Interest and Fiscal Charges	160,204	0	0	0
<i>Total Governmental Activities</i>	<u>74,227,081</u>	<u>1,903,306</u>	<u>4,603,242</u>	<u>659,697</u>
Business-Type Activities				
Food Service	2,294,019	1,578,924	639,454	13,254
Uniform School Supplies	406,212	209,597	0	0
Special Services	22,126	28,602	0	0
Community Education	16,093	8,205	7,074	0
Latchkey/Preschool	427,194	551,463	0	0
<i>Total Business-Type Activities</i>	<u>3,165,644</u>	<u>2,376,791</u>	<u>646,528</u>	<u>13,254</u>
<i>Totals</i>	<u><u>\$77,392,725</u></u>	<u><u>\$4,280,097</u></u>	<u><u>\$5,249,770</u></u>	<u><u>\$672,951</u></u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Capital Outlay

Other Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets (Deficit) Beginning of Year - Restated (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expenses) Revenues and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$31,474,696)	\$0	(\$31,474,696)
(6,715,777)	0	(6,715,777)
(4,120,967)	0	(4,120,967)
26,255	0	26,255
(3,420,837)	0	(3,420,837)
(2,048,717)	0	(2,048,717)
(151,674)	0	(151,674)
(4,213,434)	0	(4,213,434)
(1,133,390)	0	(1,133,390)
(431,099)	0	(431,099)
(6,687,796)	0	(6,687,796)
(4,657,024)	0	(4,657,024)
(657,333)	0	(657,333)
(167,485)	0	(167,485)
(1,046,658)	0	(1,046,658)
(160,204)	0	(160,204)
<u>(67,060,836)</u>	<u>0</u>	<u>(67,060,836)</u>
0	(62,387)	(62,387)
0	(196,615)	(196,615)
0	6,476	6,476
0	(814)	(814)
<u>0</u>	<u>124,269</u>	<u>124,269</u>
<u>0</u>	<u>(129,071)</u>	<u>(129,071)</u>
<u>(67,060,836)</u>	<u>(129,071)</u>	<u>(67,189,907)</u>
42,564,084	0	42,564,084
339,083	0	339,083
1,256,139	0	1,256,139
79,393	0	79,393
20,018,302	0	20,018,302
316,543	0	316,543
<u>567,801</u>	<u>483</u>	<u>568,284</u>
65,141,345	483	65,141,828
<u>(155,469)</u>	<u>155,469</u>	<u>0</u>
<u>64,985,876</u>	<u>155,952</u>	<u>65,141,828</u>
(2,074,960)	26,881	(2,048,079)
<u>9,920,641</u>	<u>(9,067)</u>	<u>9,911,574</u>
<u>\$7,845,681</u>	<u>\$17,814</u>	<u>\$7,863,495</u>

Willoughby-Eastlake City School District

Balance Sheet

Governmental Funds

June 30, 2003

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,215,805	\$2,954,159	\$8,169,964
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,051,386	0	1,051,386
Taxes Receivable	43,501,261	1,566,355	45,067,616
Accounts Receivable	187,376	0	187,376
Intergovernmental Receivable	76,962	428,039	505,001
Interfund Receivable	260,100	0	260,100
Prepaid Items	37,630	0	37,630
<i>Total Assets</i>	<u><u>\$50,330,520</u></u>	<u><u>\$4,948,553</u></u>	<u><u>\$55,279,073</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$58,270	\$277,356	\$335,626
Accrued Wages and Benefits	5,593,536	238,875	5,832,411
Interfund Payable	0	260,100	260,100
Intergovernmental Payable	1,814,915	9,581	1,824,496
Deferred Revenue	36,791,372	1,455,067	38,246,439
<i>Total Liabilities</i>	<u><u>44,258,093</u></u>	<u><u>2,240,979</u></u>	<u><u>46,499,072</u></u>
Fund Balances			
Reserved for Encumbrances	1,206,537	292,309	1,498,846
Reserved for Property Taxes	6,709,889	249,029	6,958,918
Reserved for Textbooks	1,051,386	0	1,051,386
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	(2,895,385)	0	(2,895,385)
Special Revenue Funds	0	525,195	525,195
Debt Service Funds	0	216,503	216,503
Capital Projects Funds	0	1,424,538	1,424,538
<i>Total Fund Balances</i>	<u><u>6,072,427</u></u>	<u><u>2,707,574</u></u>	<u><u>8,780,001</u></u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$50,330,520</u></u>	<u><u>\$4,948,553</u></u>	<u><u>\$55,279,073</u></u>

See accompanying notes to the basic financial statements

Willoughby-Eastlake City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2003*

Total Governmental Fund Balances	\$8,780,001
 <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.	9,869,903
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Delinquent Property Taxes	398,535
Grants	<u>137,741</u>
Total	536,276
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.	450,697
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(690,582)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(12,948)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(2,410,000)
Compensated Absences	<u>(8,677,666)</u>
Total	<u>(11,087,666)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$7,845,681</u></u>

Willoughby-Eastlake City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$42,962,942	\$1,691,047	\$44,653,989
Intergovernmental	20,520,439	4,247,392	24,767,831
Interest	312,126	4,417	316,543
Tuition and Fees	542,690	350,227	892,917
Extracurricular Activities	0	564,290	564,290
Charges for Services	134,387	0	134,387
Rentals	311,712	0	311,712
Contributions and Donations	0	375,669	375,669
Miscellaneous	394,383	173,418	567,801
<i>Total Revenues</i>	<u>65,178,679</u>	<u>7,406,460</u>	<u>72,585,139</u>
Expenditures			
Current:			
Instruction:			
Regular	31,760,796	459,492	32,220,288
Special	6,781,583	532,749	7,314,332
Vocational	4,220,943	39,817	4,260,760
Adult/Continuing	0	291,607	291,607
Support Services:			
Pupil	3,631,558	962,437	4,593,995
Instructional Staff	2,175,416	628,968	2,804,384
Board of Education	155,473	469	155,942
Administration	4,256,260	157,383	4,413,643
Fiscal	1,159,143	1,937	1,161,080
Business	435,937	0	435,937
Operation and Maintenance of Plant	5,505,444	52,848	5,558,292
Pupil Transportation	4,567,616	34,005	4,601,621
Central	630,049	36,312	666,361
Operation of Non-Instructional Services	16,910	926,539	943,449
Extracurricular Activities	168,502	1,579,345	1,747,847
Capital Outlay	28,084	2,851,319	2,879,403
Debt Service:			
Principal Retirement	0	190,000	190,000
Interest and Fiscal Charges	0	161,170	161,170
<i>Total Expenditures</i>	<u>65,493,714</u>	<u>8,906,397</u>	<u>74,400,111</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(315,035)</u>	<u>(1,499,937)</u>	<u>(1,814,972)</u>
Other Financing Sources (Uses)			
Transfers In	0	966,955	966,955
Transfers Out	(1,120,332)	(2,092)	(1,122,424)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,120,332)</u>	<u>964,863</u>	<u>(155,469)</u>
<i>Net Change in Fund Balances</i>	(1,435,367)	(535,074)	(1,970,441)
<i>Fund Balances Beginning of Year</i>	<u>7,507,794</u>	<u>3,242,648</u>	<u>10,750,442</u>
<i>Fund Balances End of Year</i>	<u>\$6,072,427</u>	<u>\$2,707,574</u>	<u>\$8,780,001</u>

See accompanying notes to the basic financial statements

Willoughby-Eastlake City School District
*Reconciliation of the Statement Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2003*

Net Change in Fund Balances - Total Governmental Funds (\$1,970,441)

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

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

Capital Asset Additions	794,143
Current Year Depreciation	(872,487)

Total	(78,344)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	(415,290)
Grants	137,741

Total	(277,549)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 190,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 966

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. 135,467

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	(17,758)
Pension Obligations	(57,301)

Total	(75,059)
-------	----------

Change in Net Assets of Governmental Activities (\$2,074,960)

Willoughby-Eastlake CSD
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$43,057,607	\$41,561,041	\$41,632,276	\$71,235
Intergovernmental	21,271,684	20,535,392	20,570,439	35,047
Interest	276,589	266,975	267,433	458
Tuition and Fees	410,675	396,453	397,130	677
Charges for Services	138,392	134,187	134,387	200
Rentals	319,436	308,334	308,862	528
Miscellaneous	436,845	422,235	422,930	695
<i>Total Revenues</i>	<u>65,911,228</u>	<u>63,624,617</u>	<u>63,733,457</u>	<u>108,840</u>
Expenditures				
Current:				
Instruction:				
Regular	32,639,542	31,832,268	31,368,962	463,306
Special	6,928,071	6,892,596	6,654,812	237,784
Vocational	4,028,776	4,010,565	4,893,919	(883,354)
Support Services:				
Pupil	3,348,361	3,331,992	3,696,267	(364,275)
Instructional Staff	2,111,285	2,100,475	2,146,391	(45,916)
Board of Education	301,563	300,019	250,132	49,887
Administration	4,500,595	4,477,550	4,245,216	232,334
Fiscal	1,153,518	1,147,611	1,156,761	(9,150)
Business	424,928	509,443	440,611	68,832
Operation and Maintenance of Plant	6,537,530	6,504,055	5,806,002	698,053
Pupil Transportation	4,511,025	4,596,518	4,564,223	32,295
Central	865,239	860,808	742,995	117,813
Operation of Non-Instructional Services	5,026	5,000	14,918	(9,918)
Extracurricular Activities	169,267	168,400	166,187	2,213
Capital Outlay	40,206	40,000	28,084	11,916
<i>Total Expenditures</i>	<u>67,564,932</u>	<u>66,777,300</u>	<u>66,175,480</u>	<u>601,820</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,653,704)</u>	<u>(3,152,683)</u>	<u>(2,442,023)</u>	<u>710,660</u>
Other Financing Sources (Uses)				
Advances In	250,383	250,383	250,383	0
Advances Out	(200,000)	(200,000)	(260,100)	(60,100)
Transfers Out	(2,000,000)	(2,000,000)	(1,120,332)	879,668
<i>Total Other Financing Sources (Uses)</i>	<u>(1,949,617)</u>	<u>(1,949,617)</u>	<u>(1,130,049)</u>	<u>819,568</u>
<i>Net Change in Fund Balance</i>	<u>(3,603,321)</u>	<u>(5,102,300)</u>	<u>(3,572,072)</u>	<u>1,530,228</u>
<i>Fund Balance Beginning of Year</i>	7,462,102	7,462,102	7,462,102	0
Prior Year Encumbrances Appropriated	<u>1,066,932</u>	<u>1,066,932</u>	<u>1,066,932</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,925,713</u>	<u>\$3,426,734</u>	<u>\$4,956,962</u>	<u>\$1,530,228</u>

See accompanying notes to the basic financial statements

Willoughby-Eastlake City School District

Statement of Fund Net Assets

Proprietary Funds

June 30, 2003

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	<u>Funds</u>	<u>Fund</u>
Assets		
<i>Current Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$247,010	\$1,446,022
Accounts Receivable	2,555	1,838
Prepaid Items	0	153,237
Inventory Held for Resale	28,787	0
Materials and Supplies Inventory	1,510	0
	<u>279,862</u>	<u>1,601,097</u>
<i>Total Current Assets</i>	279,862	1,601,097
<i>Noncurrent Assets:</i>		
Depreciable Capital Assets, Net	46,552	0
	<u>46,552</u>	<u>0</u>
<i>Total Assets</i>	<u>326,414</u>	<u>1,601,097</u>
Liabilities		
<i>Current Liabilities</i>		
Accounts Payable	112	0
Accrued Wages	53,797	0
Intergovernmental Payable	112,301	0
Compensated Absences Payable	12,573	
Claims Payable	0	1,150,400
	<u>178,783</u>	<u>1,150,400</u>
<i>Total Current Liabilities</i>	178,783	1,150,400
<i>Long-Term Liabilities:</i>		
Compensated Absences Payable	129,817	0
	<u>129,817</u>	<u>0</u>
<i>Total Liabilities</i>	<u>308,600</u>	<u>1,150,400</u>
Net Assets		
Invested in Capital Assets	46,552	0
Unrestricted (Deficit)	(28,738)	450,697
	<u>\$17,814</u>	<u>\$450,697</u>
<i>Total Net Assets</i>	<u>\$17,814</u>	<u>\$450,697</u>

See accompanying notes to the basic financial statements

Willoughby-Eastlake CSD
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2003*

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Operating Revenues		
Tuition	\$559,668	\$0
Sales	1,788,521	0
Charges for Services	28,602	6,762,140
Miscellaneous	483	0
<i>Total Operating Revenues</i>	<u>2,377,274</u>	<u>6,762,140</u>
Operating Expenses		
Salaries	1,336,318	0
Fringe Benefits	395,676	0
Purchased Services	22,683	1,284,243
Materials and Supplies	288,340	0
Cost of Sales	1,116,135	0
Depreciation	6,492	0
Claims	0	5,342,430
<i>Total Operating Expenses</i>	<u>3,165,644</u>	<u>6,626,673</u>
<i>Operating Income (Loss)</i>	<u>(788,370)</u>	<u>135,467</u>
Non-Operating Revenues		
Donated Commodities	148,230	0
Operating Grants	498,298	0
<i>Total Non-Operating Revenues</i>	<u>646,528</u>	<u>0</u>
<i>Income (Loss) Before Transfers</i>	(141,842)	135,467
Transfers In	311,469	0
Transfers Out	(156,000)	0
Capital Contributions	13,254	0
<i>Change in Net Assets</i>	26,881	135,467
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(9,067)</u>	<u>315,230</u>
<i>Net Assets End of Year</i>	<u><u>\$17,814</u></u>	<u><u>\$450,697</u></u>

See accompanying notes to the basic financial statements

Willoughby-Eastlake City School District

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2003

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Increase (Decreases) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	\$1,896,909	\$0
Cash Received from Tuition Payments	559,668	0
Cash Received from Interfund Services	0	6,760,347
Cash Received from Other Operating Sources	483	0
Cash Payments to Suppliers for Goods and Services	(1,314,257)	(1,437,480)
Cash Payments to Employees for Services	(1,307,905)	0
Cash Payments for Employee Benefits	(317,068)	0
Cash Payments for Claims	0	(4,895,030)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(482,170)</u>	<u>427,837</u>
Cash Flows from Noncapital Financing Activities		
Operating Grants Received	498,298	0
Transfers In	311,469	0
Transfers Out	(156,000)	0
Advances Out	(75,701)	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>578,066</u>	<u>0</u>
<i>Net Increase in Cash and Cash Equivalents</i>	95,896	427,837
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>151,114</u>	<u>1,018,185</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$247,010</u></u>	<u><u>\$1,446,022</u></u>

(continued)

Willoughby-Eastlake City School District

Statement of Cash Flows

Proprietary Funds (continued)

For the Fiscal Year Ended June 30, 2003

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
<i>Operating Income (Loss)</i>	(\$788,370)	\$135,467
<i>Adjustments:</i>		
Donated Commodities Received During Year	148,230	0
Depreciation	6,492	0
(Increase) Decreases in Assets:		
Accounts Receivable	79,786	(1,793)
Prepaid Items	0	(153,237)
Inventory Held for Resale	11,003	0
Materials and Supplies Inventory	3,424	0
Increase in Liabilities:		
Accounts Payable	(1,390)	0
Accrued Wages and Benefits	13,562	0
Compensated Absences Payable	19,514	0
Intergovernmental Payable	25,579	0
Claims Payable	0	447,400
<i>Total Adjustments</i>	306,200	292,370
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$482,170)	\$427,837

Noncash Capital Financing Activities

Federal donated commodities in the amount of \$148,230 were recorded as revenue in the food service enterprise fund.

The food service fund received donated capital assets from other funds in the amount of \$13,254.

See accompanying notes to the basic financial statements

Willoughby-Eastlake City School District
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2003

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$171,589</u>
Liabilities	
Due to Students	<u>\$171,589</u>

See accompanying notes to the basic financial statements

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 1 - Description of the School District and Reporting Entity

Willoughby-Eastlake City 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 and provides educational services as mandated by State or federal agencies. The Board controls the School District's thirteen instructional facilities, staffed by 498 classified personnel, 590 certified full-time teaching personnel and 28 administrative employees to provide services to students and other community members.

The School District is located in the cities of Willoughby, Eastlake, Willoughby Hills, Willowick and the villages of Lakeline, Timberlake, and Waite Hill Ohio, Lake County. The enrollment for the School District during the 2003 fiscal year was 8,908. The School District operates seven elementary schools (K-5), three middle schools (6-8) and three high schools (7-12).

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements are not misleading. The primary government of the School District consists of all funds, agencies, departments and offices that are not legally separate from the School District. For Willoughby-Eastlake City School District, the agencies and departments that provide the following services: general operations, food service and student related activities of the School District.

Non-Public Schools - Within the School District boundaries, there are various non-public schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed by the School District on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. These transactions are reported as a governmental activity on the financial statements 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 three jointly governed organizations, one related organization and an insurance purchasing pool. These organizations are the East Shore Regional Transportation System, the East Shore Center, the Ohio Schools Council, the Willoughby-Eastlake Public Library and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are discussed in Notes 15, 16 and 17 to the basic financial statements.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Willoughby-Eastlake 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 and business-type activities and to its proprietary funds provided they do not 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 statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. 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 and business-type 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 and for five business-type activities of the School District. 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, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental activity or business activity 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 and enterprise fund 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 on the face of the proprietary fund statements. The fiduciary fund is 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.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

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 is the School District's major governmental fund:

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.

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

Proprietary Funds 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.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's enterprise funds are used to account for food service operations, uniform school supplies, special services, community education and latchkey/preschool operations.

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 medical, surgical, prescription drug, and dental benefits.

Fiduciary Funds 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary fund is an agency fund which accounts for student activities.

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.

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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

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

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 7.) 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.

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, 2003, but which were levied to finance fiscal year 2004 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.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

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

The certificate of estimated resources may be amended during the fiscal 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 final amended certificate that was in effect at the time 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.

F. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, 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".

During fiscal year 2003, investments were limited to STAROhio, repurchase agreements and federal home loan bank bonds. Investments are reported at fair value which is based on quoted market prices except for nonparticipating investment contracts which are reported at cost.

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, 2003.

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 the fiscal year 2003 amounted to \$312,126 which includes \$132,447 assigned from other School District funds.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets represent amounts required by State statute to be set aside for textbooks. See Note 20 for additional information regarding set-asides.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

I. Inventory

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

Inventories consist of donated foods, purchased foods, and school supplies held for resale and material and supplies for consumption.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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 utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,000. 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. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

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	Business-Type Activities Estimated Lives
Buildings and Improvements	10-50 years	50 years
Furniture and Equipment	5-10 years	5-10 years
Vehicles	10 years	N/A

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

K. 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 activities column of the statement of net assets.

L. 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 School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified, certified and administrative employees after fifteen years of service with the School District.

M. 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, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary funds 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 year. Bonds are recognized as a liability on the governmental fund financial statements when due.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. 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. Net assets restricted for other purposes include the operation of the special trust fund, public school support, job training partnership act and the retired senior volunteer program.

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

O. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves are established for encumbrances, property taxes and textbooks.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for textbooks represents money required to be set aside by statute for the purchase of textbook and instructional materials.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service and uniform school supplies and charges for services for special services, community education, latchkey/preschool and self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the funds. All revenues and expenses not meeting these definitions are reported as non-operating.

Q. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. 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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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 - Changes in Accounting Principles and Restatement of Net Assets

Changes in Accounting Principles For fiscal year 2003, the School District implemented GASB Statement No. 41, "Budgetary Comparison Schedules – Perspective Differences." GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the governments not being able to present budgetary comparisons for the general and each major special revenue fund. The new statement was not applicable to the School District for fiscal year 2003.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Restatement of Net Assets At June 30, 2002, net assets for governmental activities were restated due to an adjustment in capital assets. The restatement increased the net assets of governmental activities at June 30, 2002 from \$9,895,537 to \$9,920,641.

Note 4 - Compliance and Accountability

A. Legal Compliance

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

<u>Fund/Function</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
General Fund			
Purchased Services	\$6,396,650	\$6,822,646	\$425,996
Other	759,000	774,504	15,504

Although these budgetary violations were not corrected by fiscal year end, management has indicated that they will closely monitor revenues and appropriations to ensure no future violations.

B. Fund Deficits

The following funds had a deficit fund balance or deficit net assets as of June 30, 2003:

Special Revenue Funds	
Career Development	\$8,660
Preschool at Risk	180
Title I	14,636
Enterprise Fund	
Food Service	64,893

The deficit in the special revenue funds resulted from the recognition of 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.

The enterprise fund net assets deficit resulted from the application of generally accepted accounting principles. The School District will review the operations to determine if steps need to be taken to ensure that the fund is self-sustaining.

Contrary to Section 5705.10, Ohio Revised Code, the Title V special revenue fund had a negative fund balance of \$875 at June 30, 2003. The School District will make an effort to ensure that the fund receives the grant monies in the fiscal year for which they were intended.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings 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 Basis) 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	(\$1,435,367)
Net Adjustment for Revenue Accruals	(1,489,915)
Advance In	250,383
Net Adjustment for Expenditure Accruals	583,770
Ending Fair Value Adjustment for Investment	44,693
Advance Out	(260,100)
Adjustment for Encumbrances	<u>(1,265,536)</u>
Budget Basis	<u><u>(\$3,572,072)</u></u>

Note 6 - 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 withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

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 pass book 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, Bills, Bonds, Notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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 bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Cash on Hand At fiscal year-end, the School District had \$4,765 in unreported cash which is included on the balance sheet of the School District as part of “equity in pooled cash and cash equivalents.”

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 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 \$8,741,838 and the bank balance was \$9,528,915. Of the bank balance:

1. \$300,000 of the bank balance was covered by depository insurance; and
2. \$9,228,915 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution’s name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments Investments are 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 Home Loan Bank Bonds	<u>\$1,004,380</u>	<u>\$1,004,380</u>
STAROhio		<u>1,334,988</u>
Total		<u>\$2,339,368</u>

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	Investments
GASB Statement No. 9	\$11,085,971	\$0
Cash on Hand	(4,765)	0
Investments which are part of the cash management pool:		
Federal Home Loan Bank Bonds	(1,004,380)	1,004,380
STAROhio	<u>(1,334,988)</u>	<u>1,334,988</u>
GASB Statement No. 3	<u>\$8,741,838</u>	<u>\$2,339,368</u>

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 7 - 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 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

The School District receives property taxes from Lake County. The County Auditors 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, 2003, are available to finance fiscal year 2003 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, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2003 was \$6,709,889 in the general fund, \$53,490 in the bond retirement debt service fund, and \$195,539 in the permanent improvements capital projects fund. The amount available as an advance at June 30, 2002, was \$5,379,223 in the general fund, \$40,569 in the bond retirement debt service fund, and \$161,422 in the permanent improvement capital projects fund.

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.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,231,219,950	82.34 %	\$1,250,154,890	81.56 %
Public Utility Personal	91,529,030	6.12	100,788,470	6.58
Tangible Personal Property	172,642,754	11.54	181,767,793	11.86
Total	\$1,495,391,734	100.00 %	\$1,532,711,153	100.00 %
Tax rate per \$1,000 of assessed valuation	\$45.77		\$45.59	

Note 8 - Receivables

Receivables at June 30, 2003, consisted of taxes, accounts (rent and tuition), and intergovernmental grants. 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 fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
General	\$76,962
Nonmajor Funds:	
Title I	172,970
Title VI-B	151,213
Job Training Partnership Act	74,911
Career Development	8,539
Vocational Education	8,273
Continuous Improvement Grant	4,546
Title V	3,718
Preschool Grant	2,644
School Security	1,225
Total Nonmajor Funds	428,039
Total Intergovernmental Receivables	\$505,001

In March 2000, the School District sold Lincoln Elementary School to the City of Willoughby for \$275,000 payable in four installments of \$50,000 and a final payment for \$75,000 beginning on or before March 2001 and ending March 31, 2006. As of June 30, 2003, the intergovernmental receivable in the amount of \$75,000 has been reported in the general fund.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 9 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	<u>Balance 6/30/2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2003</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	<u>\$560,374</u>	<u>\$0</u>	<u>\$0</u>	<u>\$560,374</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	27,042,214	50,544	(91,540)	27,001,218
Furniture and Equipment	3,953,693	196,797	0	4,150,490
Vehicles	<u>3,256,475</u>	<u>546,802</u>	<u>0</u>	<u>3,803,277</u>
<i>Total Capital Assets, being depreciated</i>	<u>34,252,382</u>	<u>794,143</u>	<u>(91,540)</u>	<u>34,954,985</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(19,250,521)	(390,578)	91,540	(19,549,559)
Furniture and Equipment	(3,307,909)	(281,113)	0	(3,589,022)
Vehicles	<u>(2,306,079)</u>	<u>(200,796)</u>	<u>0</u>	<u>(2,506,875)</u>
Total Accumulated Depreciation	<u>(24,864,509)</u>	<u>(872,487) *</u>	<u>91,540</u>	<u>(25,645,456)</u>
Total Capital Assets being depreciated, Net	<u>9,387,873</u>	<u>(78,344)</u>	<u>0</u>	<u>9,309,529</u>
Governmental Activities Capital Assets, Net	<u><u>\$9,948,247</u></u>	<u><u>(\$78,344)</u></u>	<u><u>\$0</u></u>	<u><u>\$9,869,903</u></u>
	<u>Balance 6/30/2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2003</u>
Business-Type Activities				
Furniture and Equipment	\$76,441	\$13,254	\$0	\$89,695
Less Accumulated Depreciation	<u>(36,651)</u>	<u>(6,492)</u>	<u>0</u>	<u>(43,143)</u>
Business-Type Activities Capital Assets, Net	<u><u>\$39,790</u></u>	<u><u>\$6,762</u></u>	<u><u>\$0</u></u>	<u><u>\$46,552</u></u>

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$331,249
Special	9,814
Vocational	1,571
Adult	655
Support Services:	
Pupils	4,458
Instructional Staff	2,864
Administration	91,898
Operation and Maintenance of Plant	50,911
Pupil Transportation	355,310
Central	2,375
Operation of Non-Instructional Services	9,288
Extracurricular Activities	12,094
Total Depreciation Expense	<u>\$872,487</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 2003, the School District contracted with the Ohio Schools Council Insurance Company property and fleet insurance purchasing group. On behalf of member school districts, the Ohio Schools Council prepares specifications and solicits quotations from insurance companies. The School District fleet was insured with Coregis with a \$1,000,000 liability limit per loss. Indiana Insurance Company carried the property insurance (which includes inland marine, earthquake, and crime), and covered the boilers and machinery.

Since school districts are not protected by the doctrine of sovereign immunity, the School District contracted with Nationwide Insurance Company (through the Ohio School Boards Association/Nationwide Ohio Educational Liability Insurance program) for coverage with limits of liability of \$1,000,000 per claim and \$3,000,000 aggregate to insure the School District, the board, all board members, all administrators, certified and classified employees, and volunteers. Additionally, the School District purchased an umbrella policy for an additional \$6,000,000 coverage.

Settled claims have not exceeded this commercial coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

B. Workers Compensation

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

The School District provides medical, surgical, prescription drug and dental benefits to its employees on a self-insured basis. A third party, Medical Mutual, reviews all claims which are then paid by the School District. The premium is paid by the fund that pays the salary for the employee and is based on historical cost information. The School District maintains stop-loss coverage for its insurance program. Aggregate stop-loss is maintained at \$3,102,000. The aggregate stop-loss was not met in fiscal year 2003.

The claims liability of \$1,150,400 reported in the internal service fund at June 30, 2003, is estimated by the third party administrator and is based on 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 follow:

	Balance at Beginning of Year	Current Year Claims	Current Year Payments	Balance at End of Year
2002	\$919,577	\$2,255,198	\$2,471,775	\$703,000
2003	703,000	5,342,430	4,895,030	1,150,400

Note 11 - 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.

Plan members are required to contribute 9 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 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 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

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

the fiscal years ended June 30, 2003, 2002, and 2001 were \$835,348, \$525,186, and \$380,813 respectively; 52.15 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

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, 2003, plan members were required to contribute 9.3 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 2002, 9.5 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, 2003, 2002, and 2001 were \$4,892,401, \$3,393,307, and \$3,127,224, respectively; 74.57 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$26,259 made by the School District and \$55,093 made by the plan members.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 12 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-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 Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. 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 Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$376,339 for fiscal year 2003.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS Ohio were \$354,697,000 and STRS Ohio had 105,300 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, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. 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 2003, the minimum pay was established at \$14,500. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$851,816.

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, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 13 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, an employee is paid for 30 percent of accumulated sick days up to a maximum of 255 accumulated sick days.

B. Life Insurance Benefits

With one exception, the School District provides term life insurance in the amount of \$50,000 to employees (excluding substitutes) who regularly work a minimum of 20 hours per week. Employees are also given the option to purchase additional term life insurance through a payroll deduction.

Note 14 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2003, were as follows:

	Principal Outstanding 6/30/2002	Additions	Deductions	Principal Outstanding 6/30/2003	Amounts Due in One Year
Governmental Activities					
1992 \$4,000,000 6.30%					
Library Improvement Bond	\$2,600,000	\$0	(\$190,000)	\$2,410,000	\$205,000
Compensated Absences	8,659,908	1,053,995	(1,036,237)	8,677,666	964,625
Total Governmental Activities					
Long-Term Liabilities	<u>\$11,259,908</u>	<u>\$1,053,995</u>	<u>(\$1,226,237)</u>	<u>\$11,087,666</u>	<u>\$1,169,625</u>
Business-Type Activities					
Compensated Absences	<u>\$122,876</u>	<u>\$19,514</u>	<u>\$0</u>	<u>\$142,390</u>	<u>\$12,573</u>

The library improvement bond will be paid from the debt service fund. In 1992, the School District issued bonds for improvements to the public library in the amount of \$4,000,000. The bonds are included as School District debt because the School District serves as the taxing authority for the library and is required to issue tax related debt. The bonds will mature in fiscal year 2012.

Compensated absences will be paid from the general fund, auxiliary services, career development, adult LPN, title VI-B, retired senior volunteer program, and title I governmental activities funds and food service and latchkey/preschool enterprise funds.

The School District's overall debt margin was \$135,803,997 with an unvoted debt margin of \$1,532,711 at June 30, 2003. Principal and interest requirement to retire the bond outstanding at June 30, 2003, are as follows:

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2004	\$205,000	\$149,020	\$354,020
2005	215,000	135,893	350,893
2006	230,000	121,760	351,760
2007	245,000	106,437	351,437
2008	265,000	89,863	354,863
2009-2012	1,250,000	169,650	1,419,650
Total	\$2,410,000	\$772,623	\$3,182,623

Note 15 - Jointly Governed Organizations

A. East Shore Regional Transportation System

The East Shore Regional Transportation System (ESRTS) is a jointly governed organization that was formed for the purpose of providing a transportation system for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. ESRTS is not accumulating significant financial resources or experiencing fiscal distress which would cause additional financial benefit or burden on the School District. In fiscal year 2003, the School District paid \$323,233 to ESRTS. Financial information can be obtained by writing the fiscal agent, Kirtland Board of Education, 9152 Chillicothe Road, Kirtland, Ohio 44094.

B. East Shore Center

The East Shore Center is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. East Shore Center is not accumulating significant resources or experiencing fiscal distress, which would cause additional financial benefit or burden on the School District. In fiscal year 2003, the School District paid \$193,781 to the East Shore Center. Financial information can be obtained by writing the fiscal agent, Lake County Educational Service Center, 30 South Park Place, Suite 30, Painesville, OH 44077.

C. Ohio Schools Council

The Ohio Schools Council Association (Council) is a jointly governed organization among 91 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 2003, the School District paid \$4,325 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Rd., Suite 10, Independence, Ohio 44131.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

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.

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 16 - Related Organization

The Willoughby-Eastlake 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 Willoughby-Eastlake 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 Willoughby-Eastlake Public Library, Ms. Suzan Bocciarelli, Clerk/Treasurer, at 263 East 305 Street, Willowick, Ohio 44095.

Note 17 - Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 18 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require 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 disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

B. Litigation

The School District is a 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.

Note 19 - Interfund Transactions

Transfers are primarily from the general fund to various special revenue funds within the School District. Each month the School District transfers money from the general fund to the athletic and music fund to cover the cost of salaries and benefits for coaches, cost of officials for games and transportation of athletes. Each elementary school that has a latchkey/preschool program transfers money back to that school's public school support fund. The general transfers money to the enterprise funds to move unrestricted balances to support the operations of these funds.

Transfers made during the year ended June 30, 2003 were as follows:

Transfer To	Transfer From			<i>Business-Type</i>	
	<i>Governmental Activities</i>			<i>Activities</i>	
	<u>General</u>	<u>Special Trust</u>	<u>Total</u>	<u>Latchkey/Preschool</u>	<u>Total</u>
<i>Governmental Activities</i>					
Public School Support	\$0	\$2,092	\$2,092	\$156,000	\$158,092
Athletics and Music	808,863	0	808,863	0	808,863
Total Governmental Activities	808,863	2,092	810,955	156,000	966,955
<i>Business-Type Activities</i>					
Food Service	160,000	0	160,000	0	160,000
Uniform School Supplies	136,000	0	136,000	0	136,000
Latchkey/Preschool	15,469	0	15,469	0	15,469
Total Business-Type	311,469	0	311,469	0	311,469
Grand total	\$1,120,332	\$2,092	\$1,122,424	\$156,000	\$1,278,424

At the end of the fiscal year, the School District advanced money from the general fund to other funds to provide additional resources for current operations.

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Interfund balances at June 30, 2003, consist of the following individual fund receivables and payables:

<u>Interfund Payable</u>	<u>Interfund Receivable</u> <u>General Fund</u>
Governmental Activities	
Nonmajor Funds	
Title VI-B	\$133,000
Vocational Education	2,500
Title I	100,000
Drug Free Schools Grant	17,300
Preschool Grant	2,700
Continuous Improvement Grant	<u>4,600</u>
Total Governmental Activities	<u><u>\$260,100</u></u>

Note 20 - 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 acquisitions. Disclosure of this information is required by State statute.

	<u>Textbooks Instructional Materials Reserve</u>	<u>Capital Improvements Reserve</u>
Set-aside Reserve Balance as of June 30, 2002	\$7,935	\$0
Current Year Set-aside Requirement	1,216,409	1,216,409
Qualifying Disbursements	<u>(172,958)</u>	<u>(1,365,594)</u>
Totals	<u><u>\$1,051,386</u></u>	<u><u>(\$149,185)</u></u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u><u>\$1,051,386</u></u>	<u><u>\$0</u></u>
Set-aside Balance as of June 30, 2003	<u><u>\$1,051,386</u></u>	<u><u>\$0</u></u>

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

Willoughby-Eastlake City School District

Notes to the Basic Financial Statements

For the Year Ended June 30, 2003

Note 21 – 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 on its future State funding and on its financial operations.

Note 22 - Subsequent Event

On July 21, 2003, the School District issued general obligation bonds in the amount of \$2,205,000, at a rate not to exceed 6.5 percent, with a final maturity date of December 1, 2011, for the purpose of refunding library facilities improvement general obligation bonds.

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

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:

Special Trust Fund - The fund accounts for monies used for purposes that are beneficial to the overall operation of the School District.

Public School Support Fund - This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

Athletics 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 Development Fund - This fund accounts for State monies received for vocational education career development projects.

Adult Licensed Practical Nurse (LPN) Fund - This fund accounts for State and federal monies used for the two year Licensed Practical Nurse training program.

Preschool At Risk Fund - This fund accounts for State monies used to provide preschool education for students of low income families.

School Net Professional Development Fund - This fund accounts for State monies received for computer training for teachers in the School District.

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

Ohio Reads Grant Fund - This fund accounts for monies to improve reading outcomes on the reading proficiency test and for volunteer coordinators in public school buildings.

Conflict Management Grant Fund - This fund accounts for State monies provided to educate students on proper social behavior.

School Security Fund - This fund accounts for State monies used for the installation of a hotline for students.

(continued)

Nonmajor Special Revenue Funds (continued)

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

Job Training Partnership Act Fund - This fund accounts for monies used for planning and conducting programs that provide for training and upgrading of unemployed persons.

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.

Vocational Education Fund - This fund accounts for monies used for the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, ancillary services, research, advisory committees, and work study projects.

Bilingual Education Fund - This fund accounts for federal monies used for the development of elementary and secondary school programs to meet the educational needs of children of limited English proficiency.

Retired Senior Volunteer Program Fund - This fund accounts for State monies used for the retired senior volunteer program.

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.

Emergency Immigrant Education Fund - This fund accounts for monies received for programs to assist in the public education of immigrants.

Drug Free Schools Grant Fund - This fund accounts for federal monies which support the implementation of programs for drug abuse education and prevention.

Preschool Grant Fund - This fund accounts for federal monies used for speech therapy services and instructional supplies used in preschool programs.

Continuous Improvement Grant Fund - This fund accounts for federal monies used to provide library services and technology activities within the School District.

(continued)

Nonmajor Debt Service Fund

The Bond Retirement Debt Service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Nonmajor Capital Projects Funds

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

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

School Net Plus Fund - This fund accounts for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

Network Connectivity Fund – This fund accounts for State monies to be used for the installation and ongoing support of the data communication links connecting the School District’s buildings to the Statewide Network and to the ONEnet provided internet service provider.

Willoughby-Eastlake City School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,006,156	\$216,503	\$1,731,500	\$2,954,159
Receivables:				
Taxes	0	329,184	1,237,171	1,566,355
Intergovernmental	428,039	0	0	428,039
<i>Total Assets</i>	<u>\$1,434,195</u>	<u>\$545,687</u>	<u>\$2,968,671</u>	<u>\$4,948,553</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$27,011	\$0	\$250,345	\$277,356
Accrued Wages and Benefits	238,875	0	0	238,875
Interfund Payable	260,100	0	0	260,100
Intergovernmental Payable	9,581	0	0	9,581
Deferred Revenue	137,741	275,694	1,041,632	1,455,067
<i>Total Liabilities</i>	<u>673,308</u>	<u>275,694</u>	<u>1,291,977</u>	<u>2,240,979</u>
Fund Balances				
Reserved for Encumbrances	235,692	0	56,617	292,309
Reserved for Property Taxes	0	53,490	195,539	249,029
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	525,195	0	0	525,195
Debt Service Funds	0	216,503	0	216,503
Capital Projects Funds	0	0	1,424,538	1,424,538
<i>Total Fund Balances</i>	<u>760,887</u>	<u>269,993</u>	<u>1,676,694</u>	<u>2,707,574</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,434,195</u>	<u>\$545,687</u>	<u>\$2,968,671</u>	<u>\$4,948,553</u>

Willoughby-Eastlake City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$79,393	\$342,657	\$1,268,997	\$1,691,047
Intergovernmental	3,503,286	60,617	683,489	4,247,392
Interest	4,417	0	0	4,417
Tuition and Fees	350,227	0	0	350,227
Extracurricular Activities	564,290	0	0	564,290
Contributions and Donations	375,669	0	0	375,669
Miscellaneous	74,272	0	99,146	173,418
<i>Total Revenues</i>	<u>4,951,554</u>	<u>403,274</u>	<u>2,051,632</u>	<u>7,406,460</u>
Expenditures				
Current:				
Instruction:				
Regular	459,492	0	0	459,492
Special	532,749	0	0	532,749
Vocational	39,817	0	0	39,817
Adult/Continuing	291,607	0	0	291,607
Support Services:				
Pupil	962,437	0	0	962,437
Instructional Staff	628,968	0	0	628,968
Board of Education	0	469	0	469
Administration	157,383	0	0	157,383
Fiscal	0	1,937	0	1,937
Operation and Maintenance of Plant	52,848	0	0	52,848
Pupil Transportation	34,005	0	0	34,005
Central	36,312	0	0	36,312
Operation of Non-Instructional Services	926,539	0	0	926,539
Extracurricular Activities	1,579,345	0	0	1,579,345
Capital Outlay	0	0	2,851,319	2,851,319
Debt Service:				
Principal Retirement	0	190,000	0	190,000
Interest and Fiscal Charges	0	161,170	0	161,170
<i>Total Expenditures</i>	<u>5,701,502</u>	<u>353,576</u>	<u>2,851,319</u>	<u>8,906,397</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(749,948)</u>	<u>49,698</u>	<u>(799,687)</u>	<u>(1,499,937)</u>
Other Financing Sources (Uses)				
Transfers In	966,955	0	0	966,955
Transfers Out	(2,092)	0	0	(2,092)
<i>Total Other Financing Sources (Uses)</i>	<u>964,863</u>	<u>0</u>	<u>0</u>	<u>964,863</u>
<i>Net Change in Fund Balances</i>	214,915	49,698	(799,687)	(535,074)
<i>Fund Balances Beginning of Year</i>	<u>545,972</u>	<u>220,295</u>	<u>2,476,381</u>	<u>3,242,648</u>
<i>Fund Balances End of Year</i>	<u>\$760,887</u>	<u>\$269,993</u>	<u>\$1,676,694</u>	<u>\$2,707,574</u>

Willoughby-Eastlake City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2003

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Career Development</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$141,364	\$225,649	\$64,812	\$68,357	\$1,693
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,539</u>
<i>Total Assets</i>	<u>\$141,364</u>	<u>\$225,649</u>	<u>\$64,812</u>	<u>\$68,357</u>	<u>\$10,232</u>
 Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$6,425	\$7,199	\$3,407	\$1,350	\$0
Accrued Wages and Benefits	123	0	53,277	5,110	10,499
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	3,075	153	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,393</u>
<i>Total Liabilities</i>	<u>6,548</u>	<u>7,199</u>	<u>59,759</u>	<u>6,613</u>	<u>18,892</u>
 Fund Balances					
Reserved for Encumbrances	7,919	26,308	4,885	63,568	195
Unreserved, Undesignated (Deficit)	<u>126,897</u>	<u>192,142</u>	<u>168</u>	<u>(1,824)</u>	<u>(8,855)</u>
<i>Total Fund Balances (Deficit)</i>	<u>134,816</u>	<u>218,450</u>	<u>5,053</u>	<u>61,744</u>	<u>(8,660)</u>
 <i>Total Liabilities and Fund Balances</i>	<u>\$141,364</u>	<u>\$225,649</u>	<u>\$64,812</u>	<u>\$68,357</u>	<u>\$10,232</u>

<u>Adult LPN</u>	<u>Preschool At Risk</u>	<u>School Net Professional Development</u>	<u>Educational Management Information Systems</u>	<u>Ohio Reads Grant</u>	<u>Conflict Management Grant</u>	<u>School Security</u>
\$80,789	\$5,406	\$7,205	\$6,087	\$35,863	\$900	\$7,218
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,225</u>
<u>\$80,789</u>	<u>\$5,406</u>	<u>\$7,205</u>	<u>\$6,087</u>	<u>\$35,863</u>	<u>\$900</u>	<u>\$8,443</u>
\$0	\$0	\$0	\$0	\$1,581	\$0	\$0
37,441	5,407	0	0	0	0	0
0	0	0	0	0	0	0
1,173	179	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,225</u>
<u>38,614</u>	<u>5,586</u>	<u>0</u>	<u>0</u>	<u>1,581</u>	<u>0</u>	<u>1,225</u>
1,125	0	5,075	0	34,120	110	0
<u>41,050</u>	<u>(180)</u>	<u>2,130</u>	<u>6,087</u>	<u>162</u>	<u>790</u>	<u>7,218</u>
<u>42,175</u>	<u>(180)</u>	<u>7,205</u>	<u>6,087</u>	<u>34,282</u>	<u>900</u>	<u>7,218</u>
<u>\$80,789</u>	<u>\$5,406</u>	<u>\$7,205</u>	<u>\$6,087</u>	<u>\$35,863</u>	<u>\$900</u>	<u>\$8,443</u>

(continued)

Willoughby-Eastlake City School District*Combining Balance Sheet**Nonmajor Special Revenue Funds (continued)**June 30, 2003*

	<u>Adult Basic Education</u>	<u>Job Training Partnership Act</u>	<u>Eisenhower Math and Science</u>	<u>Title VI-B</u>	<u>Vocational Education</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$10,741	\$52,126	\$13,281	\$90,210	\$257
Intergovernmental Receivable	<u>0</u>	<u>74,911</u>	<u>0</u>	<u>151,213</u>	<u>8,273</u>
<i>Total Assets</i>	<u>\$10,741</u>	<u>\$127,037</u>	<u>\$13,281</u>	<u>\$241,423</u>	<u>\$8,530</u>
 Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$2,300	\$0
Accrued Wages and Benefits	3,342	984	0	41,398	366
Interfund Payable	0	0	0	133,000	2,500
Intergovernmental Payable	343	27	0	2,100	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,114</u>	<u>0</u>
<i>Total Liabilities</i>	<u>3,685</u>	<u>1,011</u>	<u>0</u>	<u>228,912</u>	<u>2,866</u>
 Fund Balances					
Reserved for Encumbrances	548	0	1,063	65,080	0
Unreserved, Undesignated (Deficit)	<u>6,508</u>	<u>126,026</u>	<u>12,218</u>	<u>(52,569)</u>	<u>5,664</u>
<i>Total Fund Balances (Deficit)</i>	<u>7,056</u>	<u>126,026</u>	<u>13,281</u>	<u>12,511</u>	<u>5,664</u>
 <i>Total Liabilities and Fund Balances</i>	<u>\$10,741</u>	<u>\$127,037</u>	<u>\$13,281</u>	<u>\$241,423</u>	<u>\$8,530</u>

Retired Senior Volunteer Program	Title I	Title V	Drug Free Schools Grant	Preschool Grant	Continuous Improvement Grant	Total Nonmajor Special Revenue Funds
\$87,827	\$63,003	\$13,757	\$17,300	\$659	\$11,652	\$1,006,156
0	172,970	3,718	0	2,644	4,546	428,039
<u>\$87,827</u>	<u>\$235,973</u>	<u>\$17,475</u>	<u>\$17,300</u>	<u>\$3,303</u>	<u>\$16,198</u>	<u>\$1,434,195</u>
\$82	\$4,582	\$85	\$0	\$0	\$0	\$27,011
7,703	73,225	0	0	0	0	238,875
0	100,000	0	17,300	2,700	4,600	260,100
325	2,206	0	0	0	0	9,581
0	70,596	2,867	0	0	4,546	137,741
<u>8,110</u>	<u>250,609</u>	<u>2,952</u>	<u>17,300</u>	<u>2,700</u>	<u>9,146</u>	<u>673,308</u>
61	6,142	14,546	0	603	4,344	235,692
79,656	(20,778)	(23)	0	0	2,708	525,195
<u>79,717</u>	<u>(14,636)</u>	<u>14,523</u>	<u>0</u>	<u>603</u>	<u>7,052</u>	<u>760,887</u>
<u>\$87,827</u>	<u>\$235,973</u>	<u>\$17,475</u>	<u>\$17,300</u>	<u>\$3,303</u>	<u>\$16,198</u>	<u>\$1,434,195</u>

Willoughby-Eastlake City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003*

	Special Trust	Public School Support	Athletics and Music	Auxiliary Services	Career Development
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	643,554	48,536
Interest	1,561	0	0	2,856	0
Tuition and Fees	0	0	67,731	0	0
Extracurricular Activities	21,939	304,186	236,875	0	0
Contributions and Donations	32,353	142,686	195,309	0	0
Miscellaneous	18,942	23,904	25,524	0	0
<i>Total Revenues</i>	<u>74,795</u>	<u>470,776</u>	<u>525,439</u>	<u>646,410</u>	<u>48,536</u>
Expenditures					
Current:					
Instruction:					
Regular	3,553	102,627	0	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Support Services:					
Pupil	20,721	143,678	46,040	0	70,878
Instructional Staff	21,253	17,589	0	0	0
Administration	0	14,259	0	0	0
Operation and Maintenance of Plant	0	25,393	97	0	0
Pupil Transportation	0	0	13,643	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	15,679	0	0	670,260	0
Extracurricular Activities	0	247,697	1,331,648	0	0
<i>Total Expenditures</i>	<u>61,206</u>	<u>551,243</u>	<u>1,391,428</u>	<u>670,260</u>	<u>70,878</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>13,589</u>	<u>(80,467)</u>	<u>(865,989)</u>	<u>(23,850)</u>	<u>(22,342)</u>
Other Financing Sources (Uses)					
Transfers In	0	158,092	808,863	0	0
Transfers Out	(2,092)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,092)</u>	<u>158,092</u>	<u>808,863</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	11,497	77,625	(57,126)	(23,850)	(22,342)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>123,319</u>	<u>140,825</u>	<u>62,179</u>	<u>85,594</u>	<u>13,682</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$134,816</u>	<u>\$218,450</u>	<u>\$5,053</u>	<u>\$61,744</u>	<u>(\$8,660)</u>

Adult LPN	Preschool At Risk	School Net Professional Development	Educational Management Information Systems	Ohio Reads Grant	Conflict Management Grant	School Security	Adult Basic Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
77,813	48,897	7,500	32,164	92,425	4,000	7,775	98,661
0	0	0	0	0	0	0	0
282,496	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
5,902	0	0	0	0	0	0	0
<u>366,211</u>	<u>48,897</u>	<u>7,500</u>	<u>32,164</u>	<u>92,425</u>	<u>4,000</u>	<u>7,775</u>	<u>98,661</u>
0	0	0	0	54,368	2,275	0	0
0	22,155	0	0	0	0	0	0
0	0	0	0	0	0	0	0
232,344	0	0	0	0	0	0	54,497
0	16,326	0	0	0	0	0	0
0	17,132	3,745	0	26,314	675	0	38,965
95,477	0	0	0	21,785	0	0	0
0	0	0	0	0	0	27,358	0
0	0	0	0	0	150	0	0
0	0	0	34,686	1,626	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>327,821</u>	<u>55,613</u>	<u>3,745</u>	<u>34,686</u>	<u>104,093</u>	<u>3,100</u>	<u>27,358</u>	<u>93,462</u>
<u>38,390</u>	<u>(6,716)</u>	<u>3,755</u>	<u>(2,522)</u>	<u>(11,668)</u>	<u>900</u>	<u>(19,583)</u>	<u>5,199</u>
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>38,390</u>	<u>(6,716)</u>	<u>3,755</u>	<u>(2,522)</u>	<u>(11,668)</u>	<u>900</u>	<u>(19,583)</u>	<u>5,199</u>
<u>3,785</u>	<u>6,536</u>	<u>3,450</u>	<u>8,609</u>	<u>45,950</u>	<u>0</u>	<u>26,801</u>	<u>1,857</u>
<u>\$42,175</u>	<u>(\$180)</u>	<u>\$7,205</u>	<u>\$6,087</u>	<u>\$34,282</u>	<u>\$900</u>	<u>\$7,218</u>	<u>\$7,056</u>

(continued)

Willoughby-Eastlake 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, 2003

	Job Training Partnership Act	Eisenhower Math and Science	Title VI-B	Vocational Education	Bilingual Education
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	262,687	290,940	923,761	117,528	36,898
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	1,290	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>263,977</u>	<u>290,940</u>	<u>923,761</u>	<u>117,528</u>	<u>36,898</u>
Expenditures					
Current:					
Instruction:					
Regular	0	254,096	0	0	0
Special	0	0	77,968	0	35,047
Vocational	37,152	0	0	2,665	0
Adult/Continuing	4,766	0	0	0	0
Support Services:					
Pupil	0	0	489,531	76,933	0
Instructional Staff	102,877	48,790	121,254	34,267	1,851
Administration	0	0	80	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	20,000	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	40,936	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>144,795</u>	<u>302,886</u>	<u>749,769</u>	<u>113,865</u>	<u>36,898</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>119,182</u>	<u>(11,946)</u>	<u>173,992</u>	<u>3,663</u>	<u>0</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	119,182	(11,946)	173,992	3,663	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>6,844</u>	<u>25,227</u>	<u>(161,481)</u>	<u>2,001</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$126,026</u>	<u>\$13,281</u>	<u>\$12,511</u>	<u>\$5,664</u>	<u>\$0</u>

Retired Senior Volunteer Program	Title I	Title V	Emergency Immigrant Education	Drug Free Schools Grant	Preschool Grant	Continuous Improvement Grant	Total Nonmajor Special Revenue Funds
\$79,393	\$0	\$0	\$0	\$0	\$0	\$0	\$79,393
59,948	564,678	53,721	0	40,049	41,927	49,824	3,503,286
0	0	0	0	0	0	0	4,417
0	0	0	0	0	0	0	350,227
0	0	0	0	0	0	0	564,290
5,321	0	0	0	0	0	0	375,669
0	0	0	0	0	0	0	74,272
144,662	564,678	53,721	0	40,049	41,927	49,824	4,951,554
0	0	33,013	0	0	0	9,560	459,492
0	358,252	0	1,367	0	8,111	29,849	532,749
0	0	0	0	0	0	0	39,817
0	0	0	0	0	0	0	291,607
0	0	16,501	0	40,746	39,083	2,000	962,437
0	192,406	0	0	0	0	1,850	628,968
0	25,782	0	0	0	0	0	157,383
0	0	0	0	0	0	0	52,848
0	0	0	0	212	0	0	34,005
0	0	0	0	0	0	0	36,312
132,043	58,377	6,621	0	792	1,831	0	926,539
0	0	0	0	0	0	0	1,579,345
132,043	634,817	56,135	1,367	41,750	49,025	43,259	5,701,502
12,619	(70,139)	(2,414)	(1,367)	(1,701)	(7,098)	6,565	(749,948)
0	0	0	0	0	0	0	966,955
0	0	0	0	0	0	0	(2,092)
0	0	0	0	0	0	0	964,863
12,619	(70,139)	(2,414)	(1,367)	(1,701)	(7,098)	6,565	214,915
67,098	55,503	16,937	1,367	1,701	7,701	487	545,972
\$79,717	(\$14,636)	\$14,523	\$0	\$0	\$603	\$7,052	\$760,887

Willoughby-Eastlake City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,611,252	\$120,248	\$1,731,500
Taxes Receivable	1,237,171	0	1,237,171
<i>Total Assets</i>	<u>\$2,848,423</u>	<u>\$120,248</u>	<u>\$2,968,671</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$250,345	\$0	\$250,345
Deferred Revenue	1,041,632	0	1,041,632
<i>Total Liabilities</i>	<u>1,291,977</u>	<u>0</u>	<u>1,291,977</u>
 Fund Balances			
Reserved for Encumbrances	2,751	53,866	56,617
Reserved for Property Taxes	195,539	0	195,539
Unreserved, Undesignated	1,358,156	66,382	1,424,538
<i>Total Fund Balances</i>	<u>1,556,446</u>	<u>120,248</u>	<u>1,676,694</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,848,423</u>	<u>\$120,248</u>	<u>\$2,968,671</u>

Willoughby-Eastlake City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003*

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Network Connectivity</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues				
Property Taxes	\$1,268,997	\$0	\$0	\$1,268,997
Intergovernmental	508,895	132,594	42,000	683,489
Miscellaneous	99,146	0	0	99,146
<i>Total Revenues</i>	1,877,038	132,594	42,000	2,051,632
Expenditures				
Capital Outlay	2,751,473	12,346	87,500	2,851,319
<i>Net Change in Fund Balances</i>	(874,435)	120,248	(45,500)	(799,687)
<i>Fund Balances Beginning of Year</i>	2,430,881	0	45,500	2,476,381
<i>Fund Balances End of Year</i>	<u>\$1,556,446</u>	<u>\$120,248</u>	<u>\$0</u>	<u>\$1,676,694</u>

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Proprietary Funds

Nonmajor Enterprise Funds

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

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.

Special Services Fund - This fund accounts for customer services provided by classes at the Industrial Training Center.

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

Latchkey/Preschool Fund - This fund accounts for revenues and expenses involved in elementary and secondary summer school, the preschool program, and the latchkey program.

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Willoughby-Eastlake City School District*Combining Statement of Fund Net Assets**Nonmajor Enterprise Funds**June 30, 2003*

	Food Service	Uniform School Supplies	Special Services
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$59,193	\$30,682	\$12,774
Accounts Receivable	2,555	0	0
Inventory Held for Resale	28,787	0	0
Materials and Supplies Inventory	1,510	0	0
<i>Total Current Assets</i>	92,045	30,682	12,774
<i>Noncurrent Assets:</i>			
Depreciable Capital Assets, Net	45,322	0	505
<i>Total Assets</i>	137,367	30,682	13,279
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	112	0	0
Accrued Wages	16,474	0	0
Intergovernmental Payable	62,180	0	0
Compensated Absences Payable	10,124	0	0
<i>Total Current Liabilities</i>	88,890	0	0
<i>Long-Term Liabilities:</i>			
Compensated Absences Payable	113,370	0	0
<i>Total Liabilities</i>	202,260	0	0
Net Assets			
Invested in Capital Assets	45,322	0	505
Unrestricted (Deficit)	(110,215)	30,682	12,774
<i>Total Net Assets (Deficit)</i>	(\$64,893)	\$30,682	\$13,279

<u>Community Education</u>	<u>Latchkey/ Preschool</u>	<u>Total</u>
\$19,908	\$124,453	\$247,010
0	0	2,555
0	0	28,787
0	0	1,510
<u>19,908</u>	<u>124,453</u>	<u>279,862</u>
<u>725</u>	<u>0</u>	<u>46,552</u>
<u>20,633</u>	<u>124,453</u>	<u>326,414</u>
0	0	112
0	37,323	53,797
0	50,121	112,301
0	2,449	12,573
<u>0</u>	<u>89,893</u>	<u>178,783</u>
<u>0</u>	<u>16,447</u>	<u>129,817</u>
<u>0</u>	<u>106,340</u>	<u>308,600</u>
725	0	46,552
<u>19,908</u>	<u>18,113</u>	<u>(28,738)</u>
<u>\$20,633</u>	<u>\$18,113</u>	<u>\$17,814</u>

Willoughby-Eastlake CSD
*Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2003*

	Food Service	Uniform School Supplies	Special Services
Operating Revenues			
Tuition	\$0	\$0	\$0
Sales	1,578,924	209,597	0
Charges for Services	0	0	28,602
Miscellaneous	0	0	483
<i>Total Operating Revenues</i>	<u>1,578,924</u>	<u>209,597</u>	<u>29,085</u>
Operating Expenses			
Salaries	987,024	0	0
Fringe Benefits	334,426	0	0
Purchased Services	20,381	0	828
Materials and Supplies	236,641	0	20,793
Cost of Sales	709,923	406,212	0
Depreciation	5,624	0	505
<i>Total Operating Expenses</i>	<u>2,294,019</u>	<u>406,212</u>	<u>22,126</u>
<i>Operating Income (Loss)</i>	<u>(715,095)</u>	<u>(196,615)</u>	<u>6,959</u>
Non-Operating Revenues			
Donated Commodities	148,230	0	0
Operating Grants	491,224	0	0
<i>Total Non-Operating Revenues</i>	<u>639,454</u>	<u>0</u>	<u>0</u>
<i>Income (Loss) Before Transfers and Capital Contributions</i>	<u>(75,641)</u>	<u>(196,615)</u>	<u>6,959</u>
Transfers In	160,000	136,000	0
Transfers Out	0	0	0
Capital Contributions	13,254	0	0
<i>Change in Net Assets</i>	<u>97,613</u>	<u>(60,615)</u>	<u>6,959</u>
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(162,506)</u>	<u>91,297</u>	<u>6,320</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$64,893)</u></u>	<u><u>\$30,682</u></u>	<u><u>\$13,279</u></u>

Community Education	Latchkey/ Preschool	Total
\$8,205	\$551,463	\$559,668
0	0	1,788,521
0	0	28,602
0	0	483
<u>8,205</u>	<u>551,463</u>	<u>2,377,274</u>
11,068	338,226	1,336,318
1,550	59,700	395,676
127	1,347	22,683
2,985	27,921	288,340
0	0	1,116,135
363	0	6,492
<u>16,093</u>	<u>427,194</u>	<u>3,165,644</u>
<u>(7,888)</u>	<u>124,269</u>	<u>(788,370)</u>
0	0	148,230
7,074	0	498,298
<u>7,074</u>	<u>0</u>	<u>646,528</u>
(814)	124,269	(141,842)
0	15,469	311,469
0	(156,000)	(156,000)
0	0	13,254
<u>(814)</u>	<u>(16,262)</u>	<u>26,881</u>
<u>21,447</u>	<u>34,375</u>	<u>(9,067)</u>
<u>\$20,633</u>	<u>\$18,113</u>	<u>\$17,814</u>

Willoughby-Eastlake City School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2003

	<u>Food Service</u>	<u>Uniform School Supplies</u>
Increase (Decreases) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	\$1,576,616	\$291,691
Cash Received from Tuition Payments	0	0
Cash Received from Other Operating Sources	0	0
Cash Payments to Suppliers for Goods and Services	(852,453)	(406,301)
Cash Payments to Employees for Services	(970,550)	0
Cash Payments for Employee Benefits	(269,943)	0
	<u>(516,330)</u>	<u>(114,610)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>		
	<u>(516,330)</u>	<u>(114,610)</u>
Cash Flows from Noncapital Financing Activities		
Operating Grants Received	491,224	0
Transfers In	160,000	136,000
Transfers Out	0	0
Advances Out	(75,701)	0
	<u>575,523</u>	<u>136,000</u>
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>		
	<u>575,523</u>	<u>136,000</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	59,193	21,390
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>0</u>	<u>9,292</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$59,193</u></u>	<u><u>\$30,682</u></u>

Special Services	Community Education	Latchkey/Preschool	Totals
\$28,602	\$0	\$0	\$1,896,909
0	8,205	551,463	559,668
483	0	0	483
(21,621)	(3,112)	(30,770)	(1,314,257)
0	(11,068)	(326,287)	(1,307,905)
0	(1,550)	(45,575)	(317,068)
7,464	(7,525)	148,831	(482,170)
0	7,074	0	498,298
0	0	15,469	311,469
0	0	(156,000)	(156,000)
0	0	0	(75,701)
0	7,074	(140,531)	578,066
7,464	(451)	8,300	95,896
5,310	20,359	116,153	151,114
\$12,774	\$19,908	\$124,453	\$247,010

(continued)

Willoughby-Eastlake City School District

*Combining Statement of Cash Flows
Nonmajor Enterprise Funds (continued)
For the Fiscal Year Ended June 30, 2003*

	<u>Food Service</u>	<u>Uniform School Supplies</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
<i>Operating Income (Loss)</i>	<u>(\$715,095)</u>	<u>(\$196,615)</u>
<i>Adjustments:</i>		
Donated Commodities Received During Year	148,230	0
Depreciation	5,624	0
(Increase) Decreases in Assets:		
Accounts Receivable	(2,308)	82,094
Inventory Held for Resale	11,003	0
Materials and Supplies Inventory	3,424	0
Increase (Decreases) in Liabilities:		
Accounts Payable	112	0
Accrued Wages and Benefits	1,712	(89)
Compensated Absences Payable	17,065	0
Intergovernmental Payable	<u>13,903</u>	<u>0</u>
<i>Total Adjustments</i>	<u>198,765</u>	<u>82,005</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$516,330)</u></u>	<u><u>(\$114,610)</u></u>

Noncash Capital Financing Activities

Federal donated commodities in the amount of \$148,230 were recorded as revenue in the food service enterprise fund.

The food service fund received donated capital assets from other funds in the amount of \$13,254.

See accompanying notes to the basic financial statements

Special Services	Community Education	Latchkey/Preschool	Totals
\$6,959	(\$7,888)	\$124,269	(\$788,370)
0	0	0	148,230
505	363	0	6,492
0	0	0	79,786
0	0	0	11,003
0	0	0	3,424
0	0	(1,502)	(1,390)
0	0	11,939	13,562
0	0	2,449	19,514
0	0	11,676	25,579
505	363	24,562	306,200
\$7,464	(\$7,525)	\$148,831	(\$482,170)

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.

Willoughby-Eastlake City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2003

	Beginning Balance <u>June 30, 2002</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 2003</u>
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$147,251</u>	<u>\$402,833</u>	<u>\$378,495</u>	<u>\$171,589</u>
Liabilities				
Due to Students	<u>\$147,251</u>	<u>\$402,833</u>	<u>\$378,495</u>	<u>\$171,589</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Property Taxes	\$43,057,607	\$41,561,041	\$41,632,276	\$71,235
Intergovernmental	21,271,684	20,535,392	20,570,439	35,047
Interest	276,589	266,975	267,433	458
Tuition and Fees	410,675	396,453	397,130	677
Charges for Services	138,392	134,187	134,387	200
Rentals	319,436	308,334	308,862	528
Miscellaneous	436,845	422,235	422,930	695
<i>Total Revenues</i>	<u>65,911,228</u>	<u>63,624,617</u>	<u>63,733,457</u>	<u>108,840</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	25,618,078	25,522,901	24,357,054	1,165,847
Fringe Benefits	6,186,479	5,899,800	6,666,560	(766,760)
Purchased Services	59,395	5,654	26,012	(20,358)
Materials and Supplies	775,590	403,913	319,336	84,577
Total Regular	<u>32,639,542</u>	<u>31,832,268</u>	<u>31,368,962</u>	<u>463,306</u>
Special:				
Salaries and Wages	5,288,178	5,261,100	5,120,818	140,282
Fringe Benefits	1,547,323	1,539,400	1,480,655	58,745
Purchased Services	3,870	3,850	24,406	(20,556)
Materials and Supplies	86,891	86,446	28,299	58,147
Other	1,809	1,800	634	1,166
Total Special	<u>6,928,071</u>	<u>6,892,596</u>	<u>6,654,812</u>	<u>237,784</u>
Vocational:				
Salaries and Wages	1,369,312	1,362,300	1,438,427	(76,127)
Fringe Benefits	520,365	517,700	430,008	87,692
Purchased Services	2,086,020	2,075,339	2,961,062	(885,723)
Materials and Supplies	39,126	38,926	51,514	(12,588)
Capital Outlay - New	13,953	16,300	12,908	3,392
Total Vocational	<u>4,028,776</u>	<u>4,010,565</u>	<u>4,893,919</u>	<u>(883,354)</u>
Total Instruction	<u>\$43,596,389</u>	<u>\$42,735,429</u>	<u>\$42,917,693</u>	<u>(\$182,264)</u>

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Revised Budget	Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Support Services:				
Pupil:				
Salaries and Wages	\$2,164,383	\$2,153,300	\$2,494,056	(\$340,756)
Fringe Benefits	778,989	775,000	729,521	45,479
Purchased Services	222,949	221,807	299,715	(77,908)
Materials and Supplies	182,040	181,108	170,046	11,062
Capital Outlay - New	0	0	2,894	(2,894)
Other	0	777	35	742
Total Pupil	<u>3,348,361</u>	<u>3,331,992</u>	<u>3,696,267</u>	<u>(364,275)</u>
Instructional Staff:				
Salaries and Wages	1,459,473	1,452,000	1,578,287	(126,287)
Fringe Benefits	499,256	496,700	456,748	39,952
Purchased Services	76,124	75,734	60,865	14,869
Materials and Supplies	76,432	76,041	50,491	25,550
Total Instructional Staff	<u>2,111,285</u>	<u>2,100,475</u>	<u>2,146,391</u>	<u>(45,916)</u>
Board of Education:				
Salaries and Wages	6,031	6,000	4,800	1,200
Fringe Benefits	1,005	1,000	924	76
Purchased Services	122,981	122,351	98,902	23,449
Other	171,546	170,668	145,506	25,162
Total Board of Education	<u>301,563</u>	<u>300,019</u>	<u>250,132</u>	<u>49,887</u>
Administration:				
Salaries and Wages	3,043,283	3,027,700	2,927,351	100,349
Fringe Benefits	1,155,416	1,149,500	1,019,763	129,737
Purchased Services	225,704	224,548	217,868	6,680
Materials and Supplies	58,178	57,880	52,804	5,076
Other	18,014	17,922	27,430	(9,508)
Total Administration	<u>4,500,595</u>	<u>4,477,550</u>	<u>4,245,216</u>	<u>232,334</u>
Fiscal:				
Salaries and Wages	367,884	366,000	383,677	(17,677)
Fringe Benefits	168,362	167,500	137,427	30,073
Purchased Services	62,522	62,202	67,542	(5,340)
Materials and Supplies	32,242	32,077	13,580	18,497
Other	522,508	519,832	554,535	(34,703)
Total Fiscal	<u>\$1,153,518</u>	<u>\$1,147,611</u>	<u>\$1,156,761</u>	<u>(\$9,150)</u>

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Revised Budget	Revised Budget	Actual	Variance with Final Budget Positive (Negative)
Business:				
Salaries and Wages	\$146,751	\$200,763	\$186,618	\$14,145
Fringe Benefits	59,907	67,267	68,994	(1,727)
Purchased Services	133,142	128,088	91,490	36,598
Materials and Supplies	82,112	110,324	91,697	18,627
Other	3,016	3,001	1,812	1,189
Total Business	424,928	509,443	440,611	68,832
Operation and Maintenance of Plant:				
Salaries and Wages	2,547,243	2,534,200	2,614,699	(80,499)
Fringe Benefits	1,167,981	1,162,000	882,792	279,208
Purchased Services	2,446,695	2,434,167	2,018,586	415,581
Materials and Supplies	375,611	373,688	289,925	83,763
Total Operation and Maintenance of Plant	6,537,530	6,504,055	5,806,002	698,053
Pupil Transportation:				
Salaries and Wages	2,293,846	2,377,357	2,415,415	(38,058)
Fringe Benefits	1,017,410	1,025,536	789,463	236,073
Purchased Services	699,086	695,506	857,901	(162,395)
Materials and Supplies	500,683	498,119	501,444	(3,325)
Total Pupil Transportation	4,511,025	4,596,518	4,564,223	32,295
Central:				
Salaries and Wages	470,409	468,000	473,318	(5,318)
Fringe Benefits	170,473	169,600	113,144	56,456
Purchased Services	149,514	148,748	98,297	50,451
Materials and Supplies	74,843	74,460	56,283	18,177
Capital Outlay - New	0	0	403	(403)
Other	0	0	1,550	(1,550)
Total Central	865,239	860,808	742,995	117,813
Total Support Services	23,754,044	23,828,471	23,048,598	779,873
Operation of Non-Instructional Services				
Community Services:				
Other	5,026	5,000	14,918	(9,918)
Extracurricular Activities:				
Co-Curricular Activities:				
Salaries and Wages	\$169,267	\$168,400	\$166,187	\$2,213

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Revised Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Capital Outlay:				
Building Acquisition and Construction Services:				
Other	\$40,206	\$40,000	\$28,084	\$11,916
<i>Total Expenditures</i>	<u>67,564,932</u>	<u>66,777,300</u>	<u>66,175,480</u>	<u>601,820</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,653,704)</u>	<u>(3,152,683)</u>	<u>(2,442,023)</u>	<u>710,660</u>
Other Financing Sources (Uses)				
Advances In	250,383	250,383	250,383	0
Advances Out	(200,000)	(200,000)	(260,100)	(60,100)
Transfers Out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,120,332)</u>	<u>879,668</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(1,949,617)</u>	<u>(1,949,617)</u>	<u>(1,130,049)</u>	<u>819,568</u>
<i>Net Change in Fund Balance</i>	(3,603,321)	(5,102,300)	(3,572,072)	1,530,228
<i>Fund Balance Beginning of Year</i>	7,462,102	7,462,102	7,462,102	0
Prior Year Encumbrances Appropriated	<u>1,066,932</u>	<u>1,066,932</u>	<u>1,066,932</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,925,713</u>	<u>\$3,426,734</u>	<u>\$4,956,962</u>	<u>\$1,530,228</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$0	\$1,561	\$1,561
Extracurricular Activities	19,514	21,682	21,939	257
Contributions and Donations	9,688	10,764	32,353	21,589
Miscellaneous	15,799	17,554	18,942	1,388
<i>Total Revenues</i>	<u>45,001</u>	<u>50,000</u>	<u>74,795</u>	<u>24,795</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	5,682	4,984	4,805	179
Support Services:				
Pupil:				
Salaries and Wages	924	1,129	1,129	0
Purchased Services	22,122	28,446	28,446	0
Materials and Supplies	2,661	3,329	3,329	0
Other	924	1,503	1,503	0
Total Pupil	<u>26,631</u>	<u>34,407</u>	<u>34,407</u>	<u>0</u>
Instructional Staff:				
Purchased Services	462	500	296	204
Materials and Supplies	10,724	17,649	17,649	0
Capital Outlay - New	2,773	3,687	3,687	0
Total Instructional Staff	<u>13,959</u>	<u>21,836</u>	<u>21,632</u>	<u>204</u>
Total Support Services	<u>40,590</u>	<u>56,243</u>	<u>56,039</u>	<u>204</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,951	6,739	6,739	0
Materials and Supplies	0	74	74	0
Other	9,175	7,260	7,260	0
Total Operation of Non-Instructional Services	<u>11,126</u>	<u>14,073</u>	<u>14,073</u>	<u>0</u>
<i>Total Expenditures</i>	<u>57,398</u>	<u>75,300</u>	<u>74,917</u>	<u>383</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(\$12,397)</u>	<u>(\$25,300)</u>	<u>(\$122)</u>	<u>\$25,178</u>

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Fund (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Financing Uses				
Transfers Out	(\$1,700)	(\$1,700)	(\$2,092)	(\$392)
<i>Net Change in Fund Balance</i>	(14,097)	(27,000)	(2,214)	24,786
<i>Fund Balance Beginning of Year</i>	115,135	115,135	115,135	0
Prior Year Encumbrances Appropriated	14,099	14,099	14,099	0
<i>Fund Balance End of Year</i>	<u>\$115,137</u>	<u>\$102,234</u>	<u>\$127,020</u>	<u>\$24,786</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$308,269	\$243,642	\$304,186	\$60,544
Contributions and Donations	136,074	107,547	142,686	35,139
Miscellaneous	32,657	25,811	23,904	(1,907)
<i>Total Revenues</i>	<u>477,000</u>	<u>377,000</u>	<u>470,776</u>	<u>93,776</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	104,432	96,177	96,177	0
Capital Outlay - New	33,183	11,807	11,807	0
Total Instruction	<u>137,615</u>	<u>107,984</u>	<u>107,984</u>	<u>0</u>
Support Services:				
Pupil:				
Materials and Supplies	186,618	148,684	148,684	0
Instructional Staff:				
Purchased Services	36,094	17,589	17,589	0
Administration:				
Materials and Supplies	18,047	6,919	6,919	0
Capital Outlay - New	5,822	12,700	12,700	0
Total Administration	<u>23,869</u>	<u>19,619</u>	<u>19,619</u>	<u>0</u>
Business:				
Purchased Services	2,329	0	0	0
Operation and Maintenance of Plant:				
Purchased Services	22,297	16,849	16,849	0
Materials and Supplies	32,572	8,544	8,544	0
Total Operation and Maintenance of Plant	<u>54,869</u>	<u>25,393</u>	<u>25,393</u>	<u>0</u>
Total Support Services	<u>\$303,779</u>	<u>\$211,285</u>	<u>\$211,285</u>	<u>\$0</u>

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Extracurricular Activities:				
Co-Curricular Activities:				
Purchased Services	\$153,021	\$109,616	\$108,754	\$862
Materials and Supplies	113,376	100,313	100,313	0
Capital Outlay - New	23,286	18,902	18,902	0
Other	49,191	31,900	31,900	0
Total Extracurricular Activities	<u>338,874</u>	<u>260,731</u>	<u>259,869</u>	<u>862</u>
<i>Total Expenditures</i>	<u>780,268</u>	<u>580,000</u>	<u>579,138</u>	<u>862</u>
<i>Excess of Revenues Under Expenditures</i>	(303,268)	(203,000)	(108,362)	94,638
Other Financing Sources				
Transfers In	<u>173,000</u>	<u>173,000</u>	<u>158,092</u>	<u>(14,908)</u>
<i>Net Change in Fund Balance</i>	(130,268)	(30,000)	49,730	79,730
<i>Fund Balance Beginning of Year</i>	112,145	112,145	112,145	0
Prior Year Encumbrances Appropriated	<u>30,267</u>	<u>30,267</u>	<u>30,267</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,144</u></u>	<u><u>\$112,412</u></u>	<u><u>\$192,142</u></u>	<u><u>\$79,730</u></u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$73,500	\$45,514	\$67,731	\$22,217
Extracurricular Activities	232,700	144,097	236,875	92,778
Contributions and Donations	169,500	104,961	195,309	90,348
Miscellaneous	23,300	14,428	25,524	11,096
<i>Total Revenues</i>	<u>499,000</u>	<u>309,000</u>	<u>525,439</u>	<u>216,439</u>
Expenditures				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	42,953	46,100	46,040	60
Capital Outlay - New	1,611	1,613	0	1,613
Total Pupil	<u>44,564</u>	<u>47,713</u>	<u>46,040</u>	<u>1,673</u>
Operation and Maintenance of Plant:				
Purchased Services	2,148	2,900	97	2,803
Capital Outlay - New	537	900	0	900
Total Operation and Maintenance of Plant	<u>2,685</u>	<u>3,800</u>	<u>97</u>	<u>3,703</u>
Pupil Transportation:				
Purchased Services	11,812	13,700	13,643	57
Total Support Services	<u>59,061</u>	<u>65,213</u>	<u>59,780</u>	<u>5,433</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities				
Purchased Services	21,476	21,650	21,622	28
Materials and Supplies	2,875	3,677	2,643	1,034
Capital Outlay - New	537	1,500	528	972
Other	1,074	2,000	0	2,000
Total Academic and Subject Oriented Activities	<u>25,962</u>	<u>28,827</u>	<u>24,793</u>	<u>4,034</u>
Sports Oriented Activities:				
Salaries and Wages	667,165	658,300	657,362	938
Fringe Benefits	83,651	88,900	88,816	84
Purchased Services	227,552	217,509	217,422	87
Materials and Supplies	277,120	260,043	255,937	4,106
Capital Outlay - New	12,200	12,361	4,891	7,470
Other	58,681	82,547	82,495	52
Total Sports Oriented Activities	<u>\$1,326,369</u>	<u>\$1,319,660</u>	<u>\$1,306,923</u>	<u>\$12,737</u>

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics and Music Fund (continued)
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Total Extracurricular Activities	<u>\$1,352,331</u>	<u>\$1,348,487</u>	<u>\$1,331,716</u>	<u>\$16,771</u>
<i>Total Expenditures</i>	<u>960,615</u>	<u>964,204</u>	<u>947,591</u>	<u>16,614</u>
<i>Excess of Revenues Under Expenditures</i>	(461,615)	(655,204)	(422,152)	233,053
Other Financing Sources				
Transfers In	<u>1,001,000</u>	<u>1,001,000</u>	<u>808,863</u>	<u>(192,137)</u>
<i>Net Change in Fund Balance</i>	539,385	345,796	386,711	40,916
<i>Fund Balance Beginning of Year</i>	102,323	102,323	102,323	0
Prior Year Encumbrances Appropriated	<u>11,391</u>	<u>11,391</u>	<u>11,391</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$653,099</u></u>	<u><u>\$459,510</u></u>	<u><u>\$500,425</u></u>	<u><u>\$40,916</u></u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$626,616	\$643,554	\$643,554	\$0
Interest	2,781	2,856	2,856	0
<i>Total Revenues</i>	<u>629,397</u>	<u>646,410</u>	<u>646,410</u>	<u>0</u>
Expenditures				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	28,498	38,153	33,343	4,810
Fringe Benefits	12,377	16,570	17,580	(1,010)
Purchased Services	265,124	357,195	360,727	(3,532)
Materials and Supplies	246,039	329,393	326,222	3,171
<i>Total Expenditures</i>	<u>552,038</u>	<u>741,311</u>	<u>737,872</u>	<u>3,439</u>
<i>Net Change in Fund Balance</i>	77,359	(94,901)	(91,462)	3,439
<i>Fund Balance Beginning of Year</i>	77,260	77,260	77,260	0
Prior Year Encumbrances Appropriated	<u>17,641</u>	<u>17,641</u>	<u>17,641</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$172,260</u></u>	<u><u>\$0</u></u>	<u><u>\$3,439</u></u>	<u><u>\$3,439</u></u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Career Development Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$65,000	\$48,390	\$48,390	\$0
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	23,403	19,964	17,837	2,127
Fringe Benefits	14,388	17,524	17,842	(318)
Purchased Services	7,462	9,088	9,339	(251)
Materials and Supplies	15,987	19,585	19,606	(21)
Other	5,419	6,600	6,639	(39)
<i>Total Expenditures</i>	66,659	72,761	71,263	1,498
<i>Net Change in Fund Balance</i>	(1,659)	(24,371)	(22,873)	1,498
<i>Fund Balance Beginning of Year</i>	12,712	12,712	12,712	0
Prior Year Encumbrances Appropriated	11,659	11,659	11,659	0
<i>Fund Balance End of Year</i>	\$22,712	\$0	\$1,498	\$1,498

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult LPN Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$63,744	\$63,744	\$77,813	\$14,069
Tuition and Fees	231,421	231,421	282,496	51,075
Miscellaneous	4,835	4,835	5,902	1,067
<i>Total Revenues</i>	300,000	300,000	366,211	66,211
Expenditures				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	143,967	143,967	139,362	4,605
Purchased Services	10,202	10,202	9,876	326
Materials and Supplies	43,446	43,101	42,284	817
Capital Outlay - New	1,370	1,370	1,326	44
Other	17,084	17,084	16,538	546
Total Instruction	216,069	215,724	209,386	6,338
Support Services:				
Administration:				
Salaries and Wages	82,973	82,973	80,320	2,653
Fringe Benefits	882	882	854	28
Purchased Services	651	421	415	6
Total Support Services	84,506	84,276	81,589	2,687
<i>Total Expenditures</i>	300,575	300,000	290,975	9,025
<i>Net Change in Fund Balance</i>	(575)	0	75,236	75,236
<i>Fund Balance Beginning of Year</i>	3,853	3,853	3,853	0
Prior Year Encumbrances Appropriated	575	575	575	0
<i>Fund Balance End of Year</i>	\$3,853	\$4,428	\$79,664	\$75,236

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool At Risk Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$49,424	\$48,897	(\$527)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	15,834	20,989	19,716	1,273
Fringe Benefits	2,216	3,070	3,070	0
Total Instruction	18,050	24,059	22,786	1,273
Support Services:				
Pupil:				
Salaries and Wages	5,942	7,876	8,664	(788)
Fringe Benefits	831	1,182	1,182	0
Materials and Supplies	3,687	5,203	5,375	(172)
Total Pupil	10,460	14,261	15,221	(960)
Instructional Staff:				
Salaries and Wages	15,344	20,339	15,403	4,936
Fringe Benefits	2,148	2,847	2,163	684
Total Instructional Staff	17,492	23,186	17,566	5,620
Total Support Services	27,952	37,447	32,787	4,660
<i>Total Expenditures</i>	46,002	61,506	55,573	5,933
<i>Net Change in Fund Balance</i>	3,998	(12,082)	(6,676)	5,406
<i>Fund Balance Beginning of Year</i>	12,080	12,080	12,080	0
Prior Year Encumbrances Appropriated	2	2	2	0
<i>Fund Balance End of Year</i>	\$16,080	\$0	\$5,406	\$5,406

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Professional Development Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$7,500	\$7,500	\$7,500	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>3,450</u>	<u>10,950</u>	<u>8,820</u>	<u>2,130</u>
<i>Net Change in Fund Balance</i>	4,050	(3,450)	(1,320)	2,130
<i>Fund Balance Beginning of Year</i>	<u>3,450</u>	<u>3,450</u>	<u>3,450</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,500</u></u>	<u><u>\$0</u></u>	<u><u>\$2,130</u></u>	<u><u>\$2,130</u></u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$33,000	\$32,164	\$32,164	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	10,204	12,608	34,686	(22,078)
Materials and Supplies	17,463	21,576	0	21,576
Capital Outlay - New	5,333	6,589	0	6,589
<i>Total Expenditures</i>	<u>33,000</u>	<u>40,773</u>	<u>34,686</u>	<u>6,087</u>
<i>Net Change in Fund Balance</i>	0	(8,609)	(2,522)	6,087
<i>Fund Balance Beginning of Year</i>	<u>8,609</u>	<u>8,609</u>	<u>8,609</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$8,609</u>	<u>\$0</u>	<u>\$6,087</u>	<u>\$6,087</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$95,000	\$92,425	\$92,425	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	8,730	12,000	12,000	0
Purchased Services	2,182	2,999	2,799	200
Materials and Supplies	44,105	60,529	59,765	764
Capital Outlay - New	7,145	9,821	9,851	(30)
Total Instruction	62,162	85,349	84,415	934
Support Services:				
Instructional Staff:				
Salaries and Wages	1,855	2,550	1,050	1,500
Fringe Benefits	291	400	147	253
Materials and Supplies	16,805	24,999	26,335	(1,336)
Total Instructional Staff	18,951	27,949	27,532	417
Administration:				
Salaries and Wages	6,285	8,639	9,831	(1,192)
Fringe Benefits	1,382	1,900	1,866	34
Materials and Supplies	8,165	11,223	11,209	14
Total Administration	15,832	21,762	22,906	(1,144)
Central:				
Materials and Supplies	3,002	4,126	4,171	(45)
Total Support Services	37,785	53,837	54,609	(772)
<i>Total Expenditures</i>	99,947	139,186	139,024	162
<i>Net Change in Fund Balance</i>	(4,947)	(46,761)	(46,599)	162
<i>Fund Balance (Deficit) Beginning of Year</i>	(3,186)	(3,186)	(3,186)	0
Prior Year Encumbrances Appropriated	49,947	49,947	49,947	0
<i>Fund Balance End of Year</i>	\$41,814	\$0	\$162	\$162

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Conflict Management Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$4,000	\$4,000	\$4,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	750	750	770	(20)
Purchased Services	1,450	1,450	1,424	26
Materials and Supplies	500	500	191	309
Total Instruction	2,700	2,700	2,385	315
Support Services:				
Pupil:				
Salaries and Wages	100	100	0	100
Instructional Staff:				
Salaries and Wages	730	730	675	55
Administration:				
Salaries and Wages	100	100	0	100
Pupil Transportation:				
Salaries and Wages	370	370	150	220
Total Support Services	1,300	1,300	825	475
<i>Total Expenditures</i>	4,000	4,000	3,210	790
<i>Net Change in Fund Balance</i>	0	0	790	790
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$790	\$790

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Security Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$5,000	\$7,775	\$7,775	\$0
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	20,000	20,000	20,000	0
Materials and Supplies	4,506	14,576	7,359	7,217
<i>Total Expenditures</i>	24,506	34,576	27,359	7,217
<i>Net Change in Fund Balance</i>	(19,506)	(26,801)	(19,584)	7,217
<i>Fund Balance Beginning of Year</i>	18,295	18,295	18,295	0
Prior Year Encumbrances Appropriated	8,506	8,506	8,506	0
<i>Fund Balance End of Year</i>	\$7,295	\$0	\$7,217	\$7,217

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$113,406	\$98,661	\$98,661	\$0
Expenditures				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	56,313	47,346	45,962	1,384
Fringe Benefits	8,448	7,116	6,977	139
Purchased Services	416	400	0	400
Materials and Supplies	6,106	4,866	4,405	461
Total Instruction	71,283	59,728	57,344	2,384
Support Services:				
Instructional Staff:				
Salaries and Wages	27,797	26,706	26,949	(243)
Fringe Benefits	4,273	4,105	4,259	(154)
Purchased Services	3,067	2,947	3,341	(394)
Materials and Supplies	3,353	2,221	1,848	373
Capital Outlay - New	3,139	3,016	2,950	66
Total Support Services	41,629	38,995	39,347	(352)
<i>Total Expenditures</i>	112,912	98,723	96,691	2,032
<i>Excess of Revenues Over (Under) Expenditures</i>	494	(62)	1,970	2,032
Other Financing Uses				
Advances Out	(10,683)	(10,683)	(10,683)	0
<i>Net Change in Fund Balance</i>	(10,189)	(10,745)	(8,713)	2,032
<i>Fund Balance Beginning of Year</i>	18,717	18,717	18,717	0
Prior Year Encumbrances Appropriated	189	189	189	0
<i>Fund Balance End of Year</i>	\$8,717	\$8,161	\$10,193	\$2,032

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Job Training Partnership Act Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$143,710	\$185,655	\$187,776	\$2,121
Extracurricular Activities	1,290	1,290	1,290	0
<i>Total Revenues</i>	<u>145,000</u>	<u>186,945</u>	<u>189,066</u>	<u>2,121</u>
Expenditures				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	21,321	31,719	31,719	0
Fringe Benefits	3,198	4,758	4,758	0
Total Vocational	<u>24,519</u>	<u>36,477</u>	<u>36,477</u>	<u>0</u>
Adult/Continuing:				
Purchased Services	4,122	3,172	3,172	0
Materials and Supplies	31,573	1,594	1,594	0
Total Adult/Continuing	<u>35,695</u>	<u>4,766</u>	<u>4,766</u>	<u>0</u>
Total Instruction	<u>60,214</u>	<u>41,243</u>	<u>41,243</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	9,211	13,704	13,704	0
Fringe Benefits	1,382	2,056	2,056	0
Purchased Services	48,337	71,911	71,911	0
Materials and Supplies	10,678	15,886	15,886	0
Total Support Services	<u>69,608</u>	<u>103,557</u>	<u>103,557</u>	<u>0</u>
<i>Total Expenditures</i>	<u>129,822</u>	<u>144,800</u>	<u>144,800</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	15,178	42,145	44,266	2,121
Other Financing Uses				
Advances Out	<u>(5,200)</u>	<u>(5,200)</u>	<u>(5,200)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	9,978	36,945	39,066	2,121
<i>Fund Balance Beginning of Year</i>	13,038	13,038	13,038	0
Prior Year Encumbrances Appropriated	<u>22</u>	<u>22</u>	<u>22</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$23,038</u>	<u>\$50,005</u>	<u>\$52,126</u>	<u>\$2,121</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Math and Science Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$40,000	\$290,940	\$290,940	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	34,704	197,040	197,040	0
Fringe Benefits	10,049	57,056	57,056	0
Total Instruction	44,753	254,096	254,096	0
Support Services:				
Instructional Staff:				
Salaries and Wages	881	5,000	0	5,000
Fringe Benefits	176	1,000	0	1,000
Purchased Services	3,802	21,588	17,742	3,846
Materials and Supplies	5,915	33,583	32,111	1,472
Total Support Services	10,774	61,171	49,853	11,318
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	159	900	0	900
<i>Total Expenditures</i>	55,686	316,167	303,949	12,218
<i>Net Change in Fund Balance</i>	(15,686)	(25,227)	(13,009)	12,218
<i>Fund Balance Beginning of Year</i>	19,541	19,541	19,541	0
Prior Year Encumbrances Appropriated	5,686	5,686	5,686	0
<i>Fund Balance End of Year</i>	\$9,541	\$0	\$12,218	\$12,218

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$852,000	\$822,662	\$822,662	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	30,322	31,622	29,149	2,473
Materials and Supplies	88,204	101,812	96,794	5,018
Capital Outlay - New	3,838	4,430	3,600	830
Total Instruction	122,364	137,864	129,543	8,321
Support Services:				
Pupil:				
Salaries and Wages	257,711	287,472	260,843	26,629
Fringe Benefits	65,643	75,771	75,180	591
Purchased Services	130,165	150,247	166,039	(15,792)
Materials and Supplies	1,733	2,000	2,000	0
Capital Outlay - New	1,733	2,000	1,969	31
Total Pupil	456,985	517,490	506,031	11,459
Instructional Staff:				
Salaries and Wages	76,238	84,000	83,390	610
Fringe Benefits	14,032	16,197	15,781	416
Purchased Services	6,064	7,000	6,051	949
Materials and Supplies	6,931	7,000	6,366	634
Capital Outlay - New	1,256	1,450	1,413	37
Total Instructional Staff	104,521	115,647	113,001	2,646
Administration:				
Purchased Services	39	45	0	45
Materials and Supplies	239	276	80	196
Total Administration	278	321	80	241
Pupil Transportation:				
Purchased Services	17,327	20,000	20,000	0
Total Support Services	\$579,111	\$653,458	\$639,112	\$14,346

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$35,464	\$40,936	\$40,936	\$0
<i>Total Expenditures</i>	<u>736,939</u>	<u>832,258</u>	<u>809,591</u>	<u>22,667</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>115,061</u>	<u>(9,596)</u>	<u>13,071</u>	<u>22,667</u>
Other Financing Sources (Uses)				
Advances In	133,000	133,000	133,000	0
Advances Out	<u>(230,000)</u>	<u>(230,000)</u>	<u>(230,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(97,000)</u>	<u>(97,000)</u>	<u>(97,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	18,061	(106,596)	(83,929)	22,667
<i>Fund Balance Beginning of Year</i>	89,820	89,820	89,820	0
Prior Year Encumbrances Appropriated	<u>16,939</u>	<u>16,939</u>	<u>16,939</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$124,820</u></u>	<u><u>\$163</u></u>	<u><u>\$22,830</u></u>	<u><u>\$22,667</u></u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$107,500	\$116,829	\$116,829	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Purchased Services	4,500	4,500	2,665	1,835
Support Services:				
Pupil:				
Salaries and Wages	63,664	73,953	73,953	0
Fringe Benefits	2,717	2,717	2,717	0
Total Pupil	66,381	76,670	76,670	0
Instructional Staff:				
Salaries and Wages	29,000	29,000	29,000	0
Purchased Services	0	3,210	5,045	(1,835)
Materials and Supplies	120	120	120	0
Total Instructional Staff	29,120	32,330	34,165	(1,835)
Total Support Services	95,501	109,000	110,835	(1,835)
<i>Total Expenditures</i>	100,001	113,500	113,500	0
<i>Excess of Revenues Over Expenditures</i>	7,499	3,329	3,329	0
Other Financing Sources (Uses)				
Advances In	2,500	2,500	2,500	0
Advances Out	0	(4,500)	(4,500)	0
<i>Total Other Financing Sources (Uses)</i>	2,500	(2,000)	(2,000)	0
<i>Net Change in Fund Balance</i>	9,999	1,329	1,329	0
<i>Fund Balance (Deficit) Beginning of Year</i>	(1,073)	(1,073)	(1,073)	0
Prior Year Encumbrances Appropriated	1	1	1	0
<i>Fund Balance End of Year</i>	\$8,927	\$257	\$257	\$0

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bilingual Education Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$36,898	\$36,898	\$36,898	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	28,087	28,087	28,087	0
Fringe Benefits	6,960	6,960	6,960	0
Total Instruction	35,047	35,047	35,047	0
Support Services:				
Instructional Staff:				
Purchased Services	1,500	1,500	1,500	0
Materials and Supplies	351	351	351	0
Total Support Services	1,851	1,851	1,851	0
<i>Total Expenditures</i>	36,898	36,898	36,898	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

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Retired Senior Volunteer Program Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$78,036	\$66,720	\$79,393	\$12,673
Intergovernmental	64,431	59,448	59,948	500
Contributions and Donations	5,767	5,321	5,321	0
<i>Total Revenues</i>	<u>148,234</u>	<u>131,489</u>	<u>144,662</u>	<u>13,173</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	97,633	82,840	75,676	7,164
Fringe Benefits	27,235	23,226	23,448	(222)
Purchased Services	18,000	15,351	15,178	173
Materials and Supplies	16,035	13,675	13,625	50
Other	3,684	3,142	3,142	0
<i>Total Expenditures</i>	<u>162,587</u>	<u>138,234</u>	<u>131,069</u>	<u>7,165</u>
<i>Net Change in Fund Balance</i>	(14,353)	(6,745)	13,593	20,338
<i>Fund Balance Beginning of Year</i>	64,738	64,738	64,738	0
Prior Year Encumbrances Appropriated	9,353	9,353	9,353	0
<i>Fund Balance End of Year</i>	<u>\$59,738</u>	<u>\$67,346</u>	<u>\$87,684</u>	<u>\$20,338</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$380,000	\$617,204	\$462,304	(\$154,900)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	267,246	277,068	275,387	1,681
Fringe Benefits	50,918	82,471	78,322	4,149
Purchased Services	3,006	4,869	914	3,955
Materials and Supplies	6,556	10,618	8,934	1,684
Capital Outlay - New	1,210	1,960	1,960	0
Total Instruction	328,936	376,986	365,517	11,469
Support Services:				
Instructional Staff:				
Salaries and Wages	78,549	127,225	127,225	0
Fringe Benefits	24,305	39,366	39,366	0
Purchased Services	8,273	13,400	2,535	10,865
Materials and Supplies	5,239	8,486	6,653	1,833
Total Instructional Staff	116,366	188,477	175,779	12,698
Administration:				
Salaries and Wages	9,951	16,118	13,961	2,157
Fringe Benefits	3,387	5,486	5,751	(265)
Purchased Services	1,579	2,557	2,230	327
Materials and Supplies	993	1,608	1,473	135
Capital Outlay - New	1,605	2,600	2,323	277
Total Administration	17,515	28,369	25,738	2,631
Total Support Services	133,881	216,846	201,517	15,329
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	28,348	45,914	39,151	6,763
Fringe Benefits	7,834	12,688	12,634	54
Purchased Services	751	1,216	112	1,104
Materials and Supplies	833	1,350	14	1,336
Total Operation of Non-Instructional Services	37,766	61,168	51,911	9,257
Total Expenditures	\$500,583	\$655,000	\$618,945	\$36,055

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of Revenues Under Expenditures</i>	(\$120,583)	(\$37,796)	(\$156,641)	(\$118,845)
Other Financing Sources				
Advances In	100,000	100,000	100,000	0
<i>Net Change in Fund Balance</i>	(20,583)	62,204	(56,641)	(118,845)
<i>Fund Balance Beginning of Year</i>	108,337	108,337	108,337	0
Prior Year Encumbrances Appropriated	583	583	583	0
<i>Fund Balance End of Year</i>	<u>\$88,337</u>	<u>\$171,124</u>	<u>\$52,279</u>	<u>(\$118,845)</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$52,000	\$56,588	\$52,870	(\$3,718)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	8,000	9,000	8,920	80
Materials and Supplies	19,085	19,855	19,926	(71)
Capital Outlay - New	4,200	20,868	17,860	3,008
Total Instruction	31,285	49,723	46,706	3,017
Support Services:				
Pupil:				
Purchased Services	16,000	16,128	16,501	(373)
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	1,400	2,506	2,306	200
Capital Outlay - New	5,000	5,168	5,168	0
Total Operation of Non-Instructional Services	6,400	7,674	7,474	200
<i>Total Expenditures</i>	53,685	73,525	70,681	2,844
<i>Net Change in Fund Balance</i>	(1,685)	(16,937)	(17,811)	(874)
<i>Fund Balance Beginning of Year</i>	13,252	13,252	13,252	0
Prior Year Encumbrances Appropriated	3,685	3,685	3,685	0
<i>Fund Balance (Deficit) End of Year</i>	\$15,252	\$0	(\$874)	(\$874)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Immigrant Education Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$6,800	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Materials and Supplies	7,904	1,907	1,907	0
<i>Net Change in Fund Balance</i>	(1,104)	(1,907)	(1,907)	0
<i>Fund Balance Beginning of Year</i>	3	3	3	0
Prior Year Encumbrances Appropriated	1,904	1,904	1,904	0
<i>Fund Balance End of Year</i>	<u>\$803</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$35,000	\$40,068	\$40,049	(\$19)
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	10,000	13,967	14,236	(269)
Fringe Benefits	3,000	3,373	3,414	(41)
Purchased Services	15,009	22,419	22,109	310
Materials and Supplies	987	987	987	0
Total Pupil	28,996	40,746	40,746	0
Pupil Transportation:				
Purchased Services	212	212	212	0
Total Support Services	29,208	40,958	40,958	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	792	792	792	0
<i>Total Expenditures</i>	30,000	41,750	41,750	0
<i>Excess of Revenues Under Expenditures</i>	5,000	(1,682)	(1,701)	(19)
Other Financing Sources	0	0	17,300	17,300
Advance In				
<i>Net Change in Fund Balance</i>	5,000	(1,682)	15,599	17,281
<i>Fund Balance Beginning of Year</i>	1,701	1,701	1,701	0
<i>Fund Balance End of Year</i>	\$6,701	\$19	\$17,300	\$17,281

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$39,300	\$39,283	\$39,283	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Purchased Services	7,435	8,111	8,111	0
Capital Outlay - New	542	440	0	440
Total Instruction	7,977	8,551	8,111	440
Support Services:				
Pupil:				
Salaries and Wages	21,080	26,621	27,102	(481)
Fringe Benefits	5,117	6,194	6,194	0
Purchased Services	1,770	2,142	2,059	83
Materials and Supplies	3,410	4,128	4,331	(203)
Total Support Services	31,377	39,085	39,686	(601)
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,646	1,992	1,831	161
<i>Total Expenditures</i>	41,000	49,628	49,628	0
<i>Excess of Revenues Under Expenditures</i>	(1,700)	(10,345)	(10,345)	0
Other Financing Sources				
Advances In	2,700	2,700	2,700	0
<i>Net Change in Fund Balance</i>	1,000	(7,645)	(7,645)	0
<i>Fund Balance Beginning of Year</i>	7,701	7,701	7,701	0
<i>Fund Balance End of Year</i>	\$8,701	\$56	\$56	\$0

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Continuous Improvement Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$8,400	\$49,824	\$49,824	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,600	10,000	9,560	440
Special:				
Materials and Supplies	5,387	23,469	22,375	1,094
Capital Outlay - New	2,700	11,993	11,818	175
Total Special	8,087	35,462	34,193	1,269
Total Instruction	10,687	45,462	43,753	1,709
Support Services:				
Pupil:				
Purchased Services	100	100	100	0
Materials and Supplies	1,200	1,900	1,900	0
Total Pupil	1,300	2,000	2,000	0
Instructional Staff:				
Purchased Services	1,100	2,000	1,850	150
Materials and Supplies	0	4,795	0	4,795
Total Instructional Staff	1,100	6,795	1,850	4,945
Total Support Services	2,400	8,795	3,850	4,945
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	600	0	600
<i>Total Expenditures</i>	13,087	54,857	47,603	7,254
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,687)	(5,033)	2,221	7,254
Other Financing Sources				
Advances In	4,600	4,600	4,600	0
<i>Net Change in Fund Balance</i>	(87)	(433)	6,821	7,254
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	487	487	487	0
<i>Fund Balance End of Year</i>	\$400	\$54	\$7,308	\$7,254

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$313,529	\$329,736	\$329,736	\$0
Intergovernmental	57,637	60,617	60,617	0
<i>Total Revenues</i>	<u>371,166</u>	<u>390,353</u>	<u>390,353</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Board of Education:				
Other	0	469	469	0
Fiscal:				
Other	0	1,947	1,947	0
<i>Total Support Services</i>	<u>0</u>	<u>2,416</u>	<u>2,416</u>	<u>0</u>
Debt Service:				
Principal Retirement	190,000	190,000	190,000	0
Interest and Fiscal Charges	161,170	161,170	161,170	0
<i>Total Debt Service</i>	<u>351,170</u>	<u>351,170</u>	<u>351,170</u>	<u>0</u>
<i>Total Expenditures</i>	<u>351,170</u>	<u>353,586</u>	<u>353,586</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	19,996	36,767	36,767	0
<i>Fund Balance Beginning of Year</i>	<u>179,736</u>	<u>179,736</u>	<u>179,736</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$199,732</u></u>	<u><u>\$216,503</u></u>	<u><u>\$216,503</u></u>	<u><u>\$0</u></u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$971,120	\$1,234,880	\$1,234,880	\$0
Intergovernmental	400,199	508,895	508,895	0
Miscellaneous	77,852	98,997	99,146	149
<i>Total Revenues</i>	<u>1,449,171</u>	<u>1,842,772</u>	<u>1,842,921</u>	<u>149</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	5,493	4,586	4,180	406
Materials and Supplies	27,325	22,973	20,795	2,178
Capital Outlay - New	4,323	4,314	3,290	1,024
Total Regular	<u>37,141</u>	<u>31,873</u>	<u>28,265</u>	<u>3,608</u>
Vocational:				
Materials and Supplies	3,000	2,505	2,809	(304)
Capital Outlay - New	5,257	4,388	28,284	(23,896)
Total Vocational	<u>8,257</u>	<u>6,893</u>	<u>31,093</u>	<u>(24,200)</u>
Total Instruction	<u>45,398</u>	<u>38,766</u>	<u>59,358</u>	<u>(20,592)</u>
Support Services:				
Pupil:				
Materials and Supplies	24,783	21,840	30,565	(8,725)
Capital Outlay - New	13,562	11,322	10,320	1,002
Total Pupil	<u>38,345</u>	<u>33,162</u>	<u>40,885</u>	<u>(7,723)</u>
Instructional Staff:				
Materials and Supplies	1,229	1,026	935	91
Capital Outlay - New	4,427	3,696	3,369	327
Total Instructional Staff	<u>5,656</u>	<u>4,722</u>	<u>4,304</u>	<u>418</u>
Board of Education:				
Other	2,365	1,975	1,801	174
Administration:				
Purchased Services	129,165	107,833	98,290	9,543
Materials and Supplies	10,205	9,144	7,766	1,378
Capital Outlay - New	23,075	19,264	17,559	1,705
Total Administration	<u>\$162,445</u>	<u>\$136,241</u>	<u>\$123,615</u>	<u>\$12,626</u>

(continued)

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Materials and Supplies	\$478	\$399	\$364	\$35
Capital Outlay - New	3,653	3,050	2,780	270
Other	10,446	8,721	7,951	770
Total Fiscal	14,577	12,170	11,095	1,075
Business:				
Purchased Services	43,055	35,944	32,764	3,180
Materials and Supplies	197	165	150	15
Total Business	43,252	36,109	32,914	3,195
Operation and Maintenance of Plant:				
Purchased Services	2,111,602	2,229,556	1,791,395	438,161
Materials and Supplies	280,961	251,746	222,575	29,171
Capital Outlay - Replacement	47,902	39,991	36,452	3,539
Total Operation and Maintenance of Plant	2,440,465	2,521,293	2,050,422	470,871
Pupil Transportation:				
Purchased Services	877	732	668	64
Materials and Supplies	45,442	62,060	36,082	25,978
Capital Outlay - New	22,176	18,513	16,875	1,638
Capital Outlay - Replacement	647,060	646,124	492,389	153,735
Total Pupil Transportation	715,555	727,429	546,014	181,415
Central:				
Purchased Services	78,027	67,571	81,131	(13,560)
Materials and Supplies	5,055	4,220	3,847	373
Capital Outlay - New	34,473	28,780	26,233	2,547
Capital Outlay - Replacement	11,344	13,202	8,632	4,570
Total Central	128,899	113,773	119,843	(6,070)
Total Support Services	3,551,559	3,586,874	2,930,893	655,981
Operation of Non-Instructional Services:				
Food Service Operations:				
Purchased Services	3,167	2,644	2,410	234
Materials and Supplies	1,731	2,995	1,317	1,678
Capital Outlay - New	22,424	18,721	17,064	1,657
Total Operation of Non-Instructional Services	27,322	24,360	20,791	3,569
Total Expenditures	3,624,279	3,650,000	3,011,042	638,958
Net Change in Fund Balance	(2,175,108)	(1,807,228)	(1,168,121)	639,107
Fund Balance Beginning of Year	1,901,998	1,901,998	1,901,998	0
Prior Year Encumbrances Appropriated	624,279	624,279	624,279	0
Fund Balance End of Year	\$351,169	\$719,049	\$1,358,156	\$639,107

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Net Plus Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$132,500</u>	<u>\$132,594</u>	<u>\$132,594</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	37,410	47,000	23,609	23,391
Capital Outlay - New	<u>94,590</u>	<u>43,000</u>	<u>42,603</u>	<u>397</u>
<i>Total Expenditures</i>	<u>132,000</u>	<u>90,000</u>	<u>66,212</u>	<u>23,788</u>
<i>Net Change in Fund Balance</i>	500	42,594	66,382	23,788
<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>\$500</u>	<u>\$42,594</u>	<u>\$66,382</u>	<u>\$23,788</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$45,500	\$42,000	\$42,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	45,500	87,500	87,500	0
<i>Net Change in Fund Balance</i>	0	(45,500)	(45,500)	0
<i>Fund Balance Beginning of Year</i>	45,500	45,500	45,500	0
<i>Fund Balance End of Year</i>	\$45,500	\$0	\$0	\$0

Willoughby-Eastlake City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Sales	\$1,477,136	\$1,576,254	\$1,576,616	\$362
Operating Grants	462,864	493,746	491,224	(2,522)
<i>Total Revenues</i>	<u>1,940,000</u>	<u>2,070,000</u>	<u>2,067,840</u>	<u>(2,160)</u>
Expenses				
Salaries:				
Food Service Operations	927,449	997,007	970,556	26,451
Fringe Benefits:				
Food Service Operations	257,955	277,302	269,945	7,357
Purchased Services:				
Food Service Operations	65,502	70,415	68,842	1,573
Materials and Supplies:				
Food Service Operations	749,094	805,276	784,025	21,251
<i>Total Expenses</i>	<u>2,000,000</u>	<u>2,150,000</u>	<u>2,093,368</u>	<u>56,632</u>
<i>Excess of Revenues Under Expenses</i>	(60,000)	(80,000)	(25,528)	54,472
Transfers In	160,000	160,000	160,000	0
<i>Net Change in Fund Equity</i>	100,000	80,000	134,472	54,472
<i>Fund Equity (Deficit) Beginning of Year</i>	<u>(75,701)</u>	<u>(75,701)</u>	<u>(75,701)</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$24,299</u>	<u>\$4,299</u>	<u>\$58,771</u>	<u>\$54,472</u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Sales	\$214,000	\$270,000	\$291,691	\$21,691
Expenses				
Materials and Supplies:				
Regular Instruction	328,819	382,625	381,304	1,321
Special Instruction	2,225	2,728	2,578	150
Vocational Instruction	19,613	29,147	28,855	292
<i>Total Expenses</i>	350,657	414,500	412,737	1,763
<i>Excess of Revenues Under Expenses</i>	(136,657)	(144,500)	(121,046)	23,454
Transfers In	136,000	136,000	136,000	0
<i>Net Change in Fund Equity</i>	(657)	(8,500)	14,954	23,454
<i>Fund Equity Beginning of Year</i>	8,634	8,634	8,634	0
Prior Year Encumbrances Appropriated	657	657	657	0
<i>Fund Equity End of Year</i>	\$8,634	\$791	\$24,245	\$23,454

Willoughby-Eastlake City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Special Services Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$19,000	\$24,796	\$28,602	\$3,806
Miscellaneous	1,000	1,000	483	(517)
<i>Total Revenues</i>	<u>20,000</u>	<u>25,796</u>	<u>29,085</u>	<u>3,289</u>
Expenses				
Purchased Services:				
Vocational Instruction	1,000	1,000	829	171
Materials and Supplies:				
Vocational Instruction	<u>22,105</u>	<u>22,000</u>	<u>20,793</u>	<u>1,207</u>
<i>Total Expenses</i>	<u>23,105</u>	<u>23,000</u>	<u>21,622</u>	<u>1,378</u>
<i>Net Change in Fund Equity</i>	(3,105)	2,796	7,463	4,667
<i>Fund Equity Beginning of Year</i>	5,205	5,205	5,205	0
Prior Year Encumbrances Appropriated	<u>105</u>	<u>105</u>	<u>105</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,205</u></u>	<u><u>\$8,106</u></u>	<u><u>\$12,773</u></u>	<u><u>\$4,667</u></u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Community Education Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$9,000	\$8,500	\$8,205	(\$295)
Operating Grants	8,000	7,500	7,074	(426)
<i>Total Revenues</i>	<u>17,000</u>	<u>16,000</u>	<u>15,279</u>	<u>(721)</u>
Expenses				
Salaries:				
Pupil Support Services	14,000	14,000	11,069	2,931
Fringe Benefits:				
Pupil Support Services	2,000	2,000	1,551	449
Purchased Services:				
Pupil Support Services	1,000	1,000	127	873
Materials and Supplies:				
Pupil Support Services	3,000	3,000	2,985	15
<i>Total Expenses</i>	<u>20,000</u>	<u>20,000</u>	<u>15,732</u>	<u>4,268</u>
<i>Net Change in Fund Equity</i>	(3,000)	(4,000)	(453)	3,547
<i>Fund Equity Beginning of Year</i>	<u>20,359</u>	<u>20,359</u>	<u>20,359</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$17,359</u></u>	<u><u>\$16,359</u></u>	<u><u>\$19,906</u></u>	<u><u>\$3,547</u></u>

Willoughby-Eastlake City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Latchkey/Preschool Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$534,531	\$509,531	\$551,463	\$41,932
Expenses				
Salaries:				
Regular Instruction	65,948	65,847	58,174	7,673
Administration	9,730	9,647	7,767	1,880
Pupil Transportation Support Services	1,081	1,025	506	519
Operation of Non Instructional Services	281,092	281,654	259,856	21,798
Total Salaries	357,851	358,173	326,303	31,870
Fringe Benefits:				
Regular Instruction	9,730	9,678	8,126	1,552
Administration	10,811	10,092	1,114	8,978
Pupil Transportation Support Services	0	4	46	(42)
Operation of Non Instructional Services	42,164	42,025	36,308	5,717
Total Fringe Benefits	62,705	61,799	45,594	16,205
Purchased Services:				
Operation of Non Instructional Services	2,189	2,137	1,351	786
Materials and Supplies:				
Regular Instruction	6,962	6,637	2,364	4,273
Pupil Transportation Support Services	1,081	1,042	507	535
Operation of Non Instructional Services	35,677	35,179	26,564	8,615
Total Materials and Supplies	43,720	42,858	29,435	13,423
<i>Total Expenses</i>	466,465	464,967	402,683	62,284
<i>Excess of Revenues Over Expenses</i>	68,066	44,564	148,780	104,216
Transfers In	15,469	15,469	15,469	0
Transfers Out	(120,000)	(120,000)	(156,000)	(36,000)
<i>Net Change in Fund Equity</i>	(36,465)	(59,967)	8,249	68,216
<i>Fund Equity Beginning of Year</i>	114,687	114,687	114,687	0
Prior Year Encumbrances Appropriated	1,466	1,466	1,466	0
<i>Fund Equity End of Year</i>	\$79,688	\$56,186	\$124,402	\$68,216

Willoughby-Eastlake City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self-Insurance Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$5,500,000	\$6,750,000	\$6,760,347	\$10,347
Expenses				
Purchased Services	1,475,500	1,452,800	1,437,485	15,315
Claims	5,024,500	4,947,200	4,895,030	52,170
<i>Total Expenses</i>	6,500,000	6,400,000	6,332,515	67,485
<i>Net Change in Fund Equity</i>	(1,000,000)	350,000	427,832	77,832
<i>Fund Equity Beginning of Year</i>	1,018,185	1,018,185	1,018,185	0
<i>Fund Equity End of Year</i>	\$18,185	\$1,368,185	\$1,446,017	\$77,832

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Willoughby-Eastlake City School District

*Governmental Activities Revenues by Source
and Expenses by Function
Last Two Fiscal Years (1)*

	<u>2003</u>	<u>2002</u>
<i>Program Revenues</i>		
Charges for Services	\$1,903,306	\$2,320,138
Operating Grants and Contributions	4,603,242	3,411,408
Capital Grants and Contributions	659,697	45,500
<i>General Revenues</i>		
Property Taxes	44,238,699	45,290,368
Intergovernmental	20,018,302	18,226,009
Interest	316,543	477,823
Miscellaneous	<u>567,801</u>	<u>651,339</u>
Total	<u><u>\$72,307,590</u></u>	<u><u>\$70,422,585</u></u>
<i>Expenses</i>		
Current:		
Instruction:		
Regular	\$32,662,076	\$32,292,315
Special	7,455,491	6,911,855
Vocational	4,294,026	3,204,535
Adult/Continuing	278,711	246,983
Support Services:		
Pupil	4,673,505	4,653,166
Instructional Staff	2,841,906	2,308,567
Board of Education	159,898	242,920
Administration	4,481,120	4,164,253
Fiscal	1,179,809	1,077,882
Business	441,702	490,085
Operation and Maintenance of Plant	7,219,331	7,250,968
Pupil Transportation	4,882,342	3,463,783
Central	747,013	900,283
Operation of Non-Instructional Services	1,018,816	924,491
Extracurricular Activities	1,731,131	1,694,132
Debt Service	<u>160,204</u>	<u>171,470</u>
Total	<u><u>\$74,227,081</u></u>	<u><u>\$69,997,688</u></u>

Source: School District Financial Records

(1) Full Accrual Basis

Willoughby-Eastlake City School District

General Fund Revenues by Source

and Expenditures by Function (1)

Last Ten Fiscal Years

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Revenues				
Property Taxes	\$42,962,942	\$42,917,933	\$44,147,371	\$43,725,047
Intergovernmental	20,520,439	17,969,386	14,561,652	13,178,730
Interest	312,126	470,657	864,710	748,275
Tuition and Fees	542,690	845,038	1,703,110	1,664,316
Extracurricular Activities	0	0	0	0
Charges for Services	134,387	327,603	189,222	249,175
Rentals	311,712	290,004	251,361	237,144
Contributions and Donations	0	0	0	2,617
Miscellaneous	394,383	458,216	178,187	148,911
	<u>\$65,178,679</u>	<u>\$63,278,837</u>	<u>\$61,895,613</u>	<u>\$59,954,215</u>
Expenditures				
Current:				
Instruction:				
Regular	\$31,760,796	\$30,558,174	\$28,661,944	\$28,369,993
Special	6,781,583	6,192,207	5,763,895	6,228,426
Vocational	4,220,943	3,163,491	3,228,739	1,933,046
Other	0	0	0	0
Support Services				
Pupil	3,631,558	3,619,555	3,186,731	3,271,335
Instructional Staff	2,175,416	1,953,515	1,616,654	1,515,454
Board of Education	155,473	238,331	304,184	218,226
Administration	4,256,260	4,062,186	4,098,220	3,866,846
Fiscal	1,159,143	1,046,195	967,248	961,969
Business	435,937	461,150	404,410	363,186
Operation and Maintenance of Plant	5,505,444	5,442,422	6,229,808	6,158,254
Pupil Transportation	4,567,616	3,270,251	4,505,333	3,822,720
Central	630,049	758,127	744,902	532,102
Operation of Non-Instructional Services	16,910	3,401	8,184	30,354
Extracurricular Activities	168,502	165,709	132,853	137,808
Capital Outlay	28,084	79,513	4,162	0
Debt Service	0	0	3,411	40,931
	<u>\$65,493,714</u>	<u>\$61,014,227</u>	<u>\$59,860,678</u>	<u>\$57,450,650</u>

(1) Information is based on modified accrual.

Source: School District Financial Records

1999	1998	1997	1996	1995	1994
\$42,187,216	\$42,108,268	\$38,487,088	\$37,453,502	\$37,729,382	\$31,271,664
12,466,867	12,191,864	12,187,714	12,131,499	11,206,103	11,158,906
509,330	410,778	0	0	309,788	230,192
1,593,232	1,336,320	1,175,889	459,562	755,044	1,094,678
11,103	0	0	0	0	0
185,985	0	0	0	0	0
249,000	0	0	0	0	0
86	0	0	0	0	0
173,750	470,149	529,429	681,448	527,805	491,351
<u>\$57,376,569</u>	<u>\$56,517,379</u>	<u>\$52,380,120</u>	<u>\$50,726,011</u>	<u>\$50,528,122</u>	<u>\$44,246,791</u>

\$25,723,573	\$24,691,598	\$24,994,557	\$24,875,405	\$24,190,760	\$21,909,364
5,700,000	4,617,590	4,671,276	4,595,200	3,849,044	4,024,415
2,043,381	3,091,397	2,336,717	2,008,289	1,963,853	2,331,872
0	489,221	723,290	1,051,655	1,007,168	554,584
2,909,394	2,796,003	2,842,161	2,907,259	2,854,578	2,668,737
1,405,870	1,307,190	1,334,359	1,393,889	1,634,107	1,560,775
273,908	247,471	158,562	202,069	208,493	202,723
3,674,935	3,626,395	3,927,895	3,649,616	3,649,711	3,510,080
1,116,090	943,849	848,035	789,324	819,725	729,092
429,132	299,597	249,027	322,856	396,638	362,750
5,203,914	5,181,042	5,010,356	4,630,534	4,592,200	4,990,241
3,400,200	3,077,564	2,966,772	2,962,953	2,547,399	2,925,548
483,236	437,291	414,428	374,400	437,915	432,693
32,558	38,105	24,401	7,882	22,105	16,255
92,441	129,438	98,430	84,909	96,604	141,906
26,505	0	25,919	29,222	27,728	26,050
40,931	66,309	1,483,884	1,557,908	42,852	41,649
<u>\$52,556,068</u>	<u>\$51,040,060</u>	<u>\$52,110,069</u>	<u>\$51,443,370</u>	<u>\$48,340,880</u>	<u>\$46,428,734</u>

Willoughby-Eastlake 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	Percent of Current Levy Collected
2002	\$47,743,350	\$2,337,194	\$50,080,544	\$46,244,543	96.9 %
2001	50,803,531	2,478,372	53,281,903	49,346,903	97.1
2000	47,757,092	2,442,137	50,199,229	46,913,773	98.2
1999	47,953,564	2,159,442	50,113,006	47,443,568	98.9
1998	47,460,422	1,796,669	49,257,091	46,906,165	98.8
1997	44,342,404	1,392,418	45,734,822	43,733,771	98.6
1996	43,584,928	1,173,352	44,758,280	42,997,252	98.7
1995	42,459,338	1,312,681	43,772,019	41,988,952	98.9
1994	36,300,932	1,643,273	37,944,205	35,907,249	98.9
1993	36,023,453	1,837,588	37,861,041	35,584,882	98.8

Source: Lake 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. 2003 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.

<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Current Levy</u>
\$1,103,430	\$47,347,973	99.2 %
640,697	49,987,600	98.4
2,415,360	49,329,133	103.3
719,278	48,162,846	100.4
573,389	47,479,554	100.0
608,509	44,342,280	100.0
625,234	43,622,486	100.1
732,269	42,721,221	100.6
614,312	36,521,561	100.6
688,287	36,273,169	100.7

Willoughby-Eastlake 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)
2003	\$1,250,154,890	\$3,571,871,114	\$100,788,470	\$114,532,352
2002	1,231,219,950	3,517,771,286	91,529,030	104,010,261
2001	1,217,271,030	3,477,917,229	190,829,760	216,852,000
2000	1,081,386,630	3,089,676,086	208,672,250	237,127,557
1999	1,063,788,970	3,039,397,057	217,394,080	247,038,727
1998	1,046,294,160	2,989,411,886	220,985,390	251,119,761
1997	919,775,570	2,627,930,200	219,906,660	249,893,932
1996	898,573,150	2,567,351,857	227,192,400	258,173,182
1995	883,405,710	2,524,016,314	205,317,670	233,315,534
1994	807,841,190	2,308,117,686	200,335,460	227,653,932

Source: Lake 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 twenty-five percent of actual value.

<u>Tangible Personal Property</u>		<u>Total</u>		
<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Assessed Value</u>	<u>Estimated Actual Value (1)</u>	<u>Ratio</u>
\$181,767,793	\$727,071,172	\$1,532,711,153	\$4,413,474,639	35 %
172,642,754	690,571,016	1,495,391,734	4,312,352,563	35
165,437,484	661,749,936	1,573,538,274	4,356,519,165	36
155,232,538	620,930,152	1,445,291,418	3,947,733,795	37
151,359,246	605,436,984	1,432,542,296	3,891,872,768	37
137,893,748	551,574,992	1,405,173,298	3,792,106,639	37
131,058,095	524,232,380	1,270,740,325	3,402,056,512	37
119,553,436	478,213,744	1,245,318,986	3,303,738,783	38
115,433,302	461,733,208	1,204,156,682	3,219,065,056	37
114,637,308	458,549,232	1,122,813,958	2,994,320,850	37

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

Willoughby-Eastlake City School District						
Year	General	Bond Retirement	Permanent Improvement	Total	Lake County	Library
2003	\$44.05	\$0.24	\$1.30	\$45.59	\$15.70	\$1.30
2002	44.23	0.24	1.30	45.77	15.70	1.30
2001	44.30	0.24	1.30	45.84	15.70	1.30
2000	45.14	0.27	1.30	46.71	15.60	1.30
1999	45.14	0.27	1.30	46.71	15.60	0.30
1998	45.14	0.27	1.30	46.71	14.10	0.30
1997	45.95	0.37	1.30	47.62	14.00	0.30
1996	46.11	0.00	1.30	47.41	14.00	0.30
1995	46.71	0.00	1.30	48.01	14.00	0.30
1994	43.09	0.42	1.30	44.81	13.90	0.30

Source: Lake 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.

<u>City of Eastlake</u>	<u>City of Willoughby</u>	<u>City of Willoughby Hills</u>	<u>City of Willowick</u>	<u>Village of Timberlake</u>	<u>Village of Lakeline</u>	<u>Village of Waite Hill</u>
\$73.39	\$69.48	\$69.99	\$82.09	\$75.59	\$73.59	\$73.59
73.57	69.68	70.17	82.27	75.77	73.77	75.77
73.64	69.75	70.24	82.78	75.84	73.84	75.84
73.03	70.80	70.41	82.55	76.43	73.61	76.43
73.03	69.80	70.41	82.55	75.61	73.61	75.61
71.53	67.40	68.91	81.05	74.11	72.11	74.11
72.34	68.47	69.72	82.89	74.62	72.92	74.92
72.13	68.26	69.71	82.69	74.71	72.71	74.71
72.43	68.86	70.31	81.91	775.31	73.31	75.31
69.31	65.56	67.11	78.61	66.21	70.01	72.01

Willoughby-Eastlake 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
2003	\$2,140,007	\$1,532,711,153	67,218	0.14 %	\$31.84
2002	2,379,705	1,495,391,734	67,218	0.16	35.40
2001	2,584,827	1,573,538,274	67,218	0.16	38.45
2000	2,771,086	1,445,291,418	67,317	0.19	41.16
1999	2,954,516	1,432,542,296	67,317	0.21	43.89
1998	3,130,676	1,405,173,298	67,624	0.22	46.30
1997	3,351,518	1,270,740,325	67,624	0.26	49.56
1996	3,378,194	1,245,318,986	67,259	0.27	50.23
1995	3,153,365	1,204,156,682	67,259	0.26	46.88
1994	3,164,522	1,122,813,958	67,439	0.28	46.92

Source:

(1) School District Financial Records

(2) Lake County Auditor

(3) Lake County

Willoughby-Eastlake City School District

Computation of Legal Debt Margin

June 30, 2003

Assessed Valuation	<u><u>\$1,532,711,153</u></u>
Debt Limit - 9% of Assessed Value (1)	\$137,944,004
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	2,410,000
Less: Amount Available in Debt Service Fund	<u>(269,993)</u>
Amount of Debt Subject to the Limit	<u>2,140,007</u>
Overall Debt Margin	<u><u>\$135,803,997</u></u>
Debt Limit - .10% of Assessed Value (1)	\$1,532,711
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$1,532,711</u></u>

Source: Lake 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.

Willoughby-Eastlake City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2002

<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>
<u>Direct:</u>			
Willoughby-Eastlake City School District	<u>\$2,410,000</u>	100.00%	<u>\$2,410,000</u>
<u>Overlapping:</u>			
City of Willoughby	10,423,754	97.81	10,195,474
City of Eastlake	17,590,000	99.92	17,575,928
City of Willoughby Hills	1,399,162	100.00	1,399,162
City of Willowick	410,000	99.96	409,836
Lake County	<u>16,880,000</u>	27.68	<u>4,672,384</u>
Total Overlapping	<u>46,702,916</u>		<u>34,252,784</u>
Total	<u><u>\$49,112,916</u></u>		<u><u>\$36,662,784</u></u>

Source: Lake County Auditor, Willoughby-Eastlake City School District, City of Willoughby, City of Eastlake, City of Willoughby Hills, City of Willowick.

- (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 2002 collection year.

Willoughby-Eastlake City School District
*Ratio of Annual Debt Service Expenditures For
 General Obligation Bonded Debt to General Fund Expenditures
 Last Ten Fiscal Years*

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2003	\$190,000	\$161,170	\$351,170	\$65,493,714	0.54 %
2002	180,000	172,365	352,365	61,014,227	0.58
2001	170,000	182,780	352,780	59,860,678	0.59
2000	160,000	192,395	352,395	57,450,650	0.61
1999	150,000	206,295	356,295	52,556,068	0.68
1998	150,000	209,445	359,445	51,040,060	0.70
1997	150,000	217,395	367,395	52,110,069	0.71
1996	140,000	224,829	364,829	51,443,370	0.71
1995	185,000	233,255	418,255	48,340,880	0.87
1994	230,000	250,375	480,375	46,428,734	1.03

Source: School District Financial Records

Willoughby-Eastlake City School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Lake County Population</u>	<u>Willoughby- Eastlake CSD Population</u>	<u>School Enrollment (1)</u>	<u>Unemployment Rate (2)</u>
2003	229,004	67,218	8,908	5.4 %
2002	227,511	67,218	8,969	5.0
2001	227,511	67,218	9,076	3.6
2000	223,779	67,317	9,194	4.0
1999	223,779	67,317	9,139	3.6
1998	223,239	67,624	9,120	4.0
1997	223,239	67,624	9,292	4.4
1996	220,850	67,259	9,072	4.5
1995	220,850	67,259	8,983	5.7
1994	219,357	67,439	8,892	6.9

(1) School District Financial Records

(2) Represents Lake County

Willoughby-Eastlake City School District
Property Value,
Financial Institution Deposits and Building Permits
Last Ten Years

<u>Year</u>	<u>Property Value (1) (Real Estate Only)</u>	<u>Financial Institution Deposits (000's) Banks</u>	<u>Value of Residential Building Permits Issued (2)</u>	<u>Value of Commercial Building Permits Issued (2)</u>
2002	\$1,231,219,950	\$95,760,917	\$18,869,143	\$22,149,286
2001	1,217,271,030	127,480,000	30,363,228	15,959,858
2000	1,081,386,630	61,942,764	32,090,907	33,011,409
1999	1,063,788,970	57,816,942	37,179,814	34,772,308
1998	1,046,294,160	58,904,596	50,755,793	42,015,663
1997	919,775,570	53,941,971	34,918,521	42,959,863
1996	898,573,150	27,068,211	22,315,855	16,351,711
1995	883,405,710	22,458,573	37,222,137	23,037,957
1994	807,841,190	20,885,453	22,310,795	12,970,233
1993	792,931,360	21,009,421	20,502,044	22,121,898

Sources: Federal Reserve Bank of Cleveland
 Cities of Willoughby, Eastlake, Willoughby Hills and the Village
 of Waite Hill Building Departments

- (1) Represents assessed value.
- (2) Information not available from the Villages of Lakeline and Timberlake.
 Information available from the City of Willoughby Hills for 1998 through 2002 only.

Willoughby-Eastlake City School District

Principal Taxpayers

Real Estate Tax

December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Tam A Rac Estates	\$7,329,380	0.59 %
Willoughby Hills Shopping	7,250,860	0.58
Cleveland Clinic	6,300,000	0.50
Ratner Albert B TR	6,165,140	0.49
Millstein Norman TR	4,895,120	0.39
Ohio Presbyterian	4,346,380	0.35
Melinz Adolph	4,015,490	0.32
First Interstate	3,994,930	0.32
Shoregate	3,731,010	0.30
Pine Ridge Apartments	<u>3,642,920</u>	<u>0.29</u>
Total	<u><u>\$51,671,230</u></u>	<u><u>4.13 %</u></u>
Total Assessed Value	<u><u>\$1,250,154,890</u></u>	

Source: Lake County Auditor

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

Willoughby-Eastlake City School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
G E Quartz Incorporated	\$17,174,940	9.45 %
Nupro Company	15,172,590	8.35
Metal Seal and Products Incorporated	4,687,650	2.58
Atlantic Company	4,396,460	2.42
United Musical Instruments USA Incorporated	3,949,230	2.17
Parker Hannifin Corp,	3,317,790	1.83
Midwest Electrical Supply	3,292,280	1.81
G A Tek Inc. (Formerly Gould), Eastlake	2,747,140	1.51
Ekohwerks Company	2,726,880	1.50
Sawyer Research Products	<u>2,590,620</u>	<u>1.43</u>
Total	<u><u>\$60,055,580</u></u>	<u><u>33.05 %</u></u>
Total Assessed Value	<u><u>\$181,767,793</u></u>	

Source: Lake County Auditor

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

Willoughby-Eastlake City School District

Principal Taxpayers

Public Utilities Tax

December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utilities Assessed Value</u>
Cleveland Electric Illuminating Company	\$68,558,000	68.02 %
Ohio Bell Telephone Company	9,739,030	9.66
East Ohio Gas Company	1,423,640	1.41
Total	<u>\$79,720,670</u>	<u>79.09 %</u>
Total Assessed Value	<u>\$100,788,470</u>	

Source: Lake County Auditor

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

Willoughby-Eastlake City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2003	\$65,493,714	8,908	\$7,352
2002	61,014,227	8,969	6,803
2001	59,860,678	9,076	6,595
2000	57,450,650	9,194	6,249
1999	52,556,068	9,139	5,751
1998	51,040,060	9,120	5,596
1997	52,110,069	9,292	5,608
1996	51,443,370	9,072	5,671
1995	48,340,880	8,983	5,381
1994	46,428,734	8,892	5,221

Source: School District Financial Records.

Willoughby-Eastlake City School District

Teacher Education and Experience

June 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	97	16.44 %
Bachelor + 15	70	11.86
Bachelor + 30	54	9.15
Master's Degree	260	44.07
Master's + 15	69	11.70
Master's + 30	17	2.88
Master's + 45	7	1.19
Master's + 60	10	1.69
Doctorate	<u>6</u>	<u>1.02</u>
Total	<u><u>590</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	127	21.52 %
6 - 10	103	17.46
11 and Over	<u>360</u>	<u>61.02</u>
	<u><u>590</u></u>	<u><u>100.00 %</u></u>

Source: School District Personnel Records



**Auditor of State
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WILLOUGHBY-EASTLAKE CITY SCHOOL DISTRICT

LAKE 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 20, 2004**