

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

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2005**



**Auditor of State  
Betty Montgomery**



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

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**Willoughby-Eastlake City School District  
Lake County  
Schedule of Federal Awards Expenditures  
For the Fiscal Year Ended June 30, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$ -	\$ 81,654	\$ -	\$ 81,654
School Breakfast Program	05-PU 04	10.553	3,576	0	3,576	0
School Breakfast Program	05-PU 05	10.553	9,392	0	9,392	0
Total School Breakfast Program			12,968	0	12,968	0
National School Lunch Program	LL-P4 04	10.555	157,108	0	157,108	0
National School Lunch Program	LL-P4 05	10.555	441,250	0	441,250	0
Total National School Lunch Program			598,358	0	598,358	0
<b>Total U.S. Department of Agriculture - Nutrition Cluster</b>			<b>611,326</b>	<b>81,654</b>	<b>611,326</b>	<b>81,654</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Federal Pell Grant Program						
Federal Pell Grant Program 2003-04	P063P024249	84.063	30	0	30	0
Federal Pell Grant Program 2004-05	P063P024249	84.063	126,670	0	126,670	0
Total Federal Pell Grants			126,700	0	126,700	0
Special Education Cluster						
Special Education - Grants to States	6B-SF-04	84.027	206,037	0	156,377	0
Special Education - Grants to States	6B-SF-05	84.027	1,661,394	0	1,603,900	0
Total Special Education - Grants to States			1,867,431	0	1,760,277	0
Special Education - Preschool Grants	PG-D7-04-P	84.173	2,431	0	1,661	0
Special Education - Preschool Grants	PG-SI-03	84.173	0	0	6	0
Special Education - Preschool Grants	PG-SI-05	84.173	52,101	0	52,102	0
Total Special Education - Preschool Grants			54,532	0	53,769	0
Total Special Education Cluster			1,921,963	0	1,814,046	0
Adult Education - State Grant Program	AB-SI-04	84.002	(3,957)	0	4,347	0
Adult Education - State Grant Program	AB-SI-04-C	84.002	8,825	0	8,266	0
Adult Education - State Grant Program	AB-S1-05	84.002	38,522	0	30,776	0
Adult Education - State Grant Program	AB-S2-04	84.002	1,584	0	5,851	0
Adult Education - State Grant Program	AB-S2-04-C	84.002	2,910	0	2,910	0
Adult Education - State Grant Program	AB-S2-05	84.002	20,035	0	18,107	0
Total Adult Education - State Grant Program			67,919	0	70,257	0
English Language Acquisition Grant	T3-S1-04	84.365	8,397	0	0	0
English Language Acquisition Grant	T3-S2-04	84.365	26,265	0	13,466	0
English Language Acquisition Grant	T3-S1-05	84.365	38,469	0	36,971	0
Total English Language Acquisition Grant			73,131	0	50,437	0
Title 1 Grants to Local Educational Agencies	C1-S1-04	84.010	33,630	0	122,920	0
Title 1 Grants to Local Educational Agencies	C1-S1-05	84.010	849,077	0	679,181	0
Total Title 1 Grants to Local Educational Agencies			882,707	0	802,101	0
State Grants for Innovative Programs	C2-S1-04	84.298	7,858	0	8,248	0
State Grants for Innovative Programs	C2-S1-05	84.298	37,525	0	30,672	0
Total State Grants for Innovative Programs			45,383	0	38,920	0

**Willoughby-Eastlake City School District  
Lake County  
Schedule of Federal Awards Expenditures  
For the Fiscal Year Ended June 30, 2005  
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-04	84.186	10,604	0	12,224	0
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-05	84.186	24,520	0	32,428	0
Total Safe and Drug-Free Schools and Communities			35,124	0	44,652	0
Improving Teacher Quality State Grant	TR-S1-04	84.367	9,453	0	33,495	0
Improving Teacher Quality State Grant	TR-S1-05	84.367	262,825	0	266,423	0
Total Improving Teacher Quality State Grant			272,278	0	299,918	0
Education Technology State Grant	TJ-S1-04	84.318	4,294	0	7,150	0
Education Technology State Grant	TJ-S1-05	84.318	33,479	0	26,638	0
Total Education Technology State Grant			37,773	0	33,788	0
Vocational Ed. - Occupation and Employment Information	OE-OO-04	84.346	5,120	0	1,198	0
Total Vocational Ed. - Occupation and Employment Information			5,120	0	1,198	0
<i>Passed Through Mentor Exempted Village School District:</i>						
Vocational Education - Basic Grants to State	N/A	84.048	3,190	0	13,730	0
Vocational Education - Basic Grants to State	N/A	84.048	138,759	0	91,205	0
Total Vocational Education - Basic Grants to State			141,949	0	104,935	0
<b>Total U.S. Department of Education</b>			<b>3,610,047</b>	<b>0</b>	<b>3,386,952</b>	<b>0</b>
<b>U.S. DEPARTMENT OF LABOR</b>						
<i>Passed Through the City of Cleveland:</i>						
WIA Adult Program 2003-04	N/A	17.258	0	0	4,044	0
WIA Adult Program 2004-05	N/A	17.258	47,641	0	0	0
Total WIA Adult Program			47,641	0	4,044	0
<i>Passed Through Lake County Job &amp; Family Services:</i>						
WIA Adult Program	N/A	17.258	1,506	0	1,576	0
Total WIA Adult Program			1,506	0	1,576	0
<i>Passed Through the Lake County ETA:</i>						
WIA Youth Activities	N/A	17.259	141,080	0	138,312	0
Total WIA Youth Activities			141,080	0	138,312	0
<b>Total U.S. Department of Labor</b>			<b>190,227</b>	<b>0</b>	<b>143,932</b>	<b>0</b>
<b>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICES</b>						
Direct Grant:						
Retired and Senior Volunteer Program	N/A	94.002	47,800	0	47,800	0
<b>Total Corporation for National &amp; Community Services</b>			<b>47,800</b>	<b>0</b>	<b>47,800</b>	<b>0</b>
<b>U.S. DEPARTMENT OF HEALTH/HUMAN SERVICES</b>						
<i>Passed Through the Ohio Department of MRDD:</i>						
State Children's Insurance Program	N/A	93.767	8,113	0	8,113	0
Medical Assistance Program	N/A	93.778	70,052	0	70,052	0
<b>Total U.S. Department of Health/Human Services</b>			<b>78,165</b>	<b>0</b>	<b>78,165</b>	<b>0</b>
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ 4,537,565</b>	<b>\$ 81,654</b>	<b>\$ 4,268,175</b>	<b>\$ 81,654</b>

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

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2005**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B—CHILD NUTRITION CLUSTER**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants and local monies. It is assumed federal monies are expended first.

**NOTE C – NEGATIVE RECEIPTS**

The negative receipts for Adult Education CFDA #84.002 in the amount of \$3,957 represent an amount that were transferred or refunded to the State due to expiration of period of availability.

CFDA – Catalog of Federal Domestic Assistance

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**Auditor of State  
Betty Montgomery**

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Willoughby-Eastlake City School District, Lake County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 9, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 9, 2005, we reported other matters involving internal control over financial reporting we did not deem a reportable condition.

**Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the District's management dated December 9, 2005, we reported other matters related to noncompliance we deemed immaterial.

Willoughby-Eastlake City School District  
Lake County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

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

**Betty Montgomery**  
Auditor of State

December 9, 2005



## Auditor of State Betty Montgomery

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

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

To the Board of Education:

#### Compliance

We have audited the compliance of Willoughby-Eastlake City School District, Lake County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2005.

#### Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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.

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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over financial reporting not requiring inclusion in this report, that we have reported to the District's management in a separate letter dated December 9, 2005.

#### **Federal Awards Expenditure Schedule**

We have audited the financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of Willoughby-Eastlake City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 9, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Betty Montgomery**  
Auditor of State

December 9, 2005

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2005**

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

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

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

**SCHEDULE OF FINDINGS  
JUNE 30, 2005  
(CONTINUED)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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Finding Number	2005-001
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**Timely Deposit**

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

During testing we noted twenty-five out of sixty Daycare receipts prepared by each center, which totaled \$1,270 out of \$2,759 or 46% amount tested; twenty-six out of sixty Classroom Material and Fees receipts prepared by each school, which totaled \$14,207 out of \$36,469 or 39% amount tested; and seven receipts out of sixty Extracurricular Activities receipts prepared for each activity, which totaled \$37,281 out of \$213,174 or 17% amount tested, were not deposited to the Treasurer's office or designated depository within one business day of collection. We further noted that the District has not established a policy in force during the audit period that would allow for monies to be held past the next business day.

We recommend the receipts obtained for the District's Daycare centers, Classroom Material and Fees and Extracurricular Activities be deposited with the Treasurer's office within one business day after collection. Also we recommend the District adopt a policy that includes provisions and procedures to safeguard money that will not be deposited the next business day.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2005**

Finding Number	Finding Summary	Fully Corrected ?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2004-001	ORC 9.38 Failure to deposit timely.	Not Corrected	Comment reissued as 2005-001
2004-002	ORC 5705.41 (B) & (D) Expenditures plus encumbrances exceeding appropriations.	Partially Corrected	Comment reissued in the Management Letter





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

Comprehensive  
Annual Financial Report  
For the Fiscal Year Ended June 30, 2005

Prepared by  
Clifford A. Reinhardt  
Treasurer



**Willoughby-Eastlake City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2005*  
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# *Willoughby-Eastlake* *Board of Education*

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

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37047 RIDGE ROAD      WILLOUGHBY, OHIO 44094      (440) 946-5000  
FAX: (440) 946-4671

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

December 9, 2005

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, 2005. 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 Organizational Chart of the School District, and the GFOA Certificate of Achievement.
2. **The Financial Section** which begins with the Independent Accountants' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an 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 23<sup>rd</sup> largest of the 612 school districts in the State and second largest of the 9 districts in Lake County. Located in northeastern Ohio, approximately 20 miles east of the City of Cleveland, it provides education to 8,883 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 district if the needs of the child and family would be better served than attending the school of residence. If transportation is not already being provided, it is the responsibility of the parents to provide transportation, however.

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.
- 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 Tech Center for developmentally disabled students.
- Participation in the Post Secondary Enrollment Options Program which permits high school students to attend area colleges during the day to earn college credit.
- 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 six years, declining enrollment in previous years caused excess building capacity throughout the 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 leased, and Taft in Eastlake is leased to the City of Eastlake for use as a senior center. 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 insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity". In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the 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 and a related organization. These organizations are the East Shore Regional Transportation System, the East Shore Center, Ohio Schools Council, the Willoughby-Eastlake Public Library. These organizations are presented in Notes 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.



The City of Willoughby's economic condition, like the national economy, has been through a difficult period. While income tax revenues increased by an average of 4.4 percent per year over the past decade, they declined by 0.5 percent in 2002 and 3.6 percent in 2003. The City expects that trend to reverse and believes that prospects for the future look brighter. A new courthouse is under construction and is scheduled to be completed in early 2006. The restoration of the historic downtown area continues with the renovation of several buildings and opening of new businesses.

### **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:

- Renewal of the existing emergency levies (in 2007, 2008 and 2009)
- 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:  
Reading-Language Arts (kindergarten – grade12)
- Achieved an “Effective” rating on the state Report Card with a score of 21 out of a possible 23.
- Continuance of the process of aligning the curriculum with the information covered on the Ohio Department of Education proficiency tests and the Ohio Graduation Test.
- Math and literacy consultants continued to work with elementary school students and teachers to assess each student's needs in math and reading.
- Increased elementary school proficiency test scores in all five areas (math, science, reading, writing, and citizenship).
- Recognition and numerous awards received by staff and students some of which are:

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

One student was named a National Merit Scholarship Semi-Finalist and eight students were named National Merit Scholarship Commended Students.

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

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

For the eighth consecutive year, the Willoughby-Eastlake City School District earned the “What Parents Want Award” given by SchoolMatch. Only 14 percent of school districts nationwide are recognized for meeting the needs of families choosing schools.

In 1986 the School District voters approved a 1.3 mill five-year permanent improvement levy which was renewed again in May, 2000. Approximately \$1,300,000 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. The School District has eight buildings that are over fifty years old and sixteen buildings that are over twenty-five years old that serve as the School District’s high schools, middle schools and elementary schools. Major spending for fiscal year 2005 was for replacing and repairing roofs throughout the School District.

## **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 School District and also has responsibility for the School District’s internal audit program. Annual internal 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 students 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, ensure 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 building 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 of the notes to the basic financial statements.

***Financial Condition*** This is the fourth 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 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 2005 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 are invested. The total amount of interest earned for the fiscal year ended June 30, 2005 was \$410,257. Of that, \$403,463 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) and a "high balance" savings accounts offered by Charter One Bank.

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 provides health, vision, and dental insurance benefits to employees. See Note 14 (Other Employee Benefits) to the Basic Financial Statements for more information.

The School District has general liability, fleet, and property insurance with Indiana Insurance Company. See Note 11 (Risk Management) 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 \$27,400. For fiscal year 2005, this additional charge to the School District was \$165,629. See Notes 12 and 13 to the Basic Financial Statements.

### **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 basic financial statement as of and for the year ended June 30, 2005. 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 has been awarded the GFOA Certificate of Achievement for the past five fiscal years.

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 sixth 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.

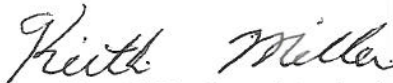
Thanks also to the Local Government Services Division of the State Auditor's office for assistance in planning and reviewing this financial report.

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, 2005

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***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	2007	Eastlake
Margaret Warner	Member	1997	2007	Willoughby

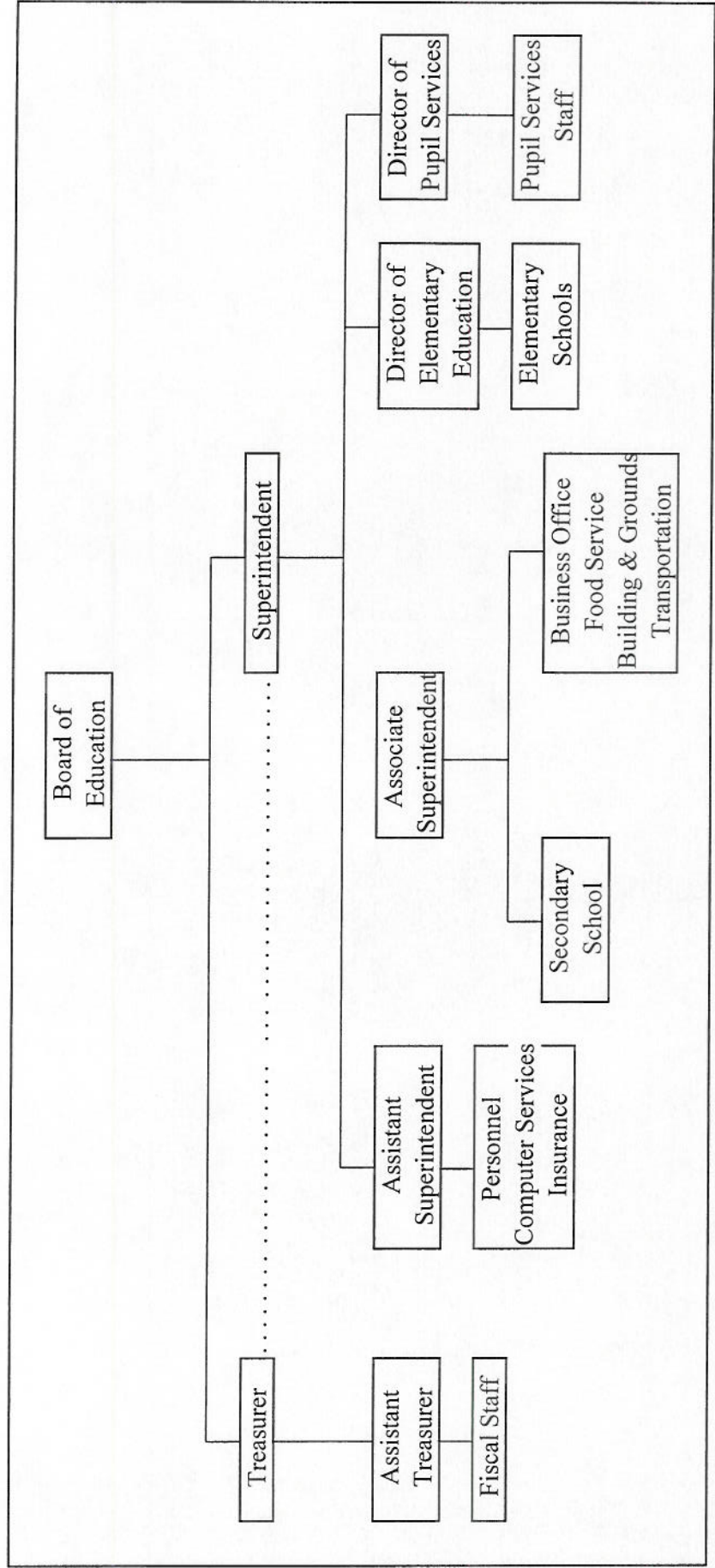
***Treasurer***

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, 2004

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.



*Nancy L. Zjelle*

President

*Jeffrey R. Emer*

Executive Director





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the Willoughby-Eastlake City School District, Lake County, Ohio, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should be read it in conjunction with this report in assessing the results of our audit.

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

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

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

**Betty Montgomery**  
Auditor of State

December 9, 2005

**Willoughby-Eastlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

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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, 2005. 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 2005 are as follows:

- Total net assets increased \$3,310,404, an increase of \$3,238,155 in governmental activities and an increase of \$72,249 in business-type activities.
- General revenues accounted for \$78,144,370 or 91.2 percent of all revenues for governmental activities. Program-specific revenues in the form of charges for services, sales, grants or contributions accounted for \$7,498,717 or 8.8 percent of total revenues of \$85,643,087.
- Total program expenses were \$82,273,599 in governmental activities with instruction representing 60.9 percent of total expenses and \$3,225,684 in business type activities with food service representing 73.6 percent of total expenses.
- Capital assets decreased by \$531,811 due to current year depreciation expense.
- Outstanding debt decreased by \$245,000 to \$1,960,000.

**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.

**Willoughby-Eastlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

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**Reporting the School District as a Whole**

*Statement of Net Assets and the Statement of Activities*

While this document contains the large number of 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 2004-2005 fiscal year?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. The 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 our 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, adult continuing education and extended daycare/preschool.

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

*Fund Financial Statements*

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. 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 the 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 provided. 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.

**Willoughby-Eastlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

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

**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 2005 compared to 2004:

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Assets</b>						
Current and Other Assets	\$77,778,241	\$68,289,169	\$394,613	\$151,392	\$78,172,854	\$68,440,561
Capital Assets, Net	17,452,282	17,983,679	65,278	65,692	17,517,560	18,049,371
<i>Total Assets</i>	<i>95,230,523</i>	<i>86,272,848</i>	<i>459,891</i>	<i>217,084</i>	<i>95,690,414</i>	<i>86,489,932</i>
<b>Liabilities</b>						
Current and Other Liabilities	63,767,197	60,794,861	356,608	161,709	64,123,805	60,956,570
Long-Term Liabilities:						
Due Within One Year	1,411,103	1,096,974	12,988	29,394	1,424,091	1,126,368
Due in More than One Year	12,769,731	10,336,676	130,343	138,278	12,900,074	10,474,954
<i>Total Liabilities</i>	<i>77,948,031</i>	<i>72,228,511</i>	<i>499,939</i>	<i>329,381</i>	<i>78,447,970</i>	<i>72,557,892</i>
<b>Net Assets</b>						
Invested in Capital Assets	17,452,282	17,983,679	65,278	65,692	17,517,560	18,049,371
Restricted:						
Set Asides	2,256,636	2,022,910	0	0	2,256,636	2,022,910
Capital Projects	1,179,341	1,387,129	0	0	1,179,341	1,387,129
Debt Service	373,366	286,627	0	0	373,366	286,627
Other Purposes	1,331,076	1,112,689	0	0	1,331,076	1,112,689
Unrestricted (Deficit)	(5,310,209)	(8,748,697)	(105,326)	(177,989)	(5,415,535)	(8,926,686)
<i>Total Net Assets</i>	<i>\$17,282,492</i>	<i>\$14,044,337</i>	<i>(\$40,048)</i>	<i>(\$112,297)</i>	<i>\$17,242,444</i>	<i>\$13,932,040</i>

Total assets increased by \$9,200,482. Equity in pooled cash and cash equivalents increased by \$3,944,336. Taxes receivable increased by \$5,935,235 due to a full year's collection on the levy passed in fiscal year 2004.

Total liabilities for governmental activities increased by \$5,719,520. The increase to current liabilities was primarily the result of increased deferred revenue of \$2,799,166 and increased claims payable of \$482,667. This increase was offset by a decrease in accrued wages and the intergovernmental payable associated with those wages of \$443,234. The increase of \$2,722,843 in long-term liabilities is directly related to the severance payments to be made over a three to five year period for those employees who have decided to retire in fiscal year 2005 and fiscal year 2006.

**Willoughby-Eastlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

Table 2 shows the changes in net assets for fiscal year 2005 compared to fiscal year 2004.

Table 2  
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$2,197,329	\$2,069,896	\$2,415,327	\$2,420,655	\$4,612,656	\$4,490,551
Operating Grants and Contributions	5,186,053	4,769,308	730,928	670,636	5,916,981	5,439,944
Capital Grants	115,335	337,745	6,902	0	122,237	337,745
<i>Total Program Revenues</i>	<u>7,498,717</u>	<u>7,176,949</u>	<u>3,153,157</u>	<u>3,091,291</u>	<u>10,651,874</u>	<u>10,268,240</u>
General Revenues:						
Property Taxes	55,334,245	46,179,731	0	0	55,334,245	46,179,731
Grant and Entitlements	22,184,930	21,649,739	0	0	22,184,930	21,649,739
Investment Earnings	409,369	74,431	888	0	410,257	74,431
Miscellaneous	215,826	312,575	12,555	343	228,381	312,918
<i>Total General Revenues</i>	<u>78,144,370</u>	<u>68,216,476</u>	<u>13,443</u>	<u>343</u>	<u>78,157,813</u>	<u>68,216,819</u>
<b>Total Revenues</b>	<u>85,643,087</u>	<u>75,393,425</u>	<u>3,166,600</u>	<u>3,091,634</u>	<u>88,809,687</u>	<u>78,485,059</u>
<b>Program Expenses</b>						
Instruction	50,085,491	47,012,728	0	0	50,085,491	47,012,728
Support Services:						
Pupil and Instructional Staff	8,628,684	7,807,052	0	0	8,628,684	7,807,052
Board of Education, Administration, Fiscal and Business	7,139,929	6,781,118	0	0	7,139,929	6,781,118
Operation and Maintenance of Plant	7,245,874	7,627,603	0	0	7,245,874	7,627,603
Pupil Transportation	5,224,748	5,101,508	0	0	5,224,748	5,101,508
Central	975,591	873,224	0	0	975,591	873,224
Operation of Non-Instructional Services	942,262	891,941	0	0	942,262	891,941
Extracurricular Activities	1,943,532	1,724,236	0	0	1,943,532	1,724,236
Interest and Fiscal Charges	87,488	76,881	0	0	87,488	76,881
Food Service	0	0	2,372,720	2,289,245	2,372,720	2,289,245
Uniform School Supplies	0	0	351,275	388,190	351,275	388,190
Special Services	0	0	25,326	29,705	25,326	29,705
Community Education	0	0	9,033	15,597	9,033	15,597
Latchkey/Preschool	0	0	467,330	424,581	467,330	424,581
<i>Total Program Expenses</i>	<u>82,273,599</u>	<u>77,896,291</u>	<u>3,225,684</u>	<u>3,147,318</u>	<u>85,499,283</u>	<u>81,043,609</u>
Increase (Decrease) in Net Assets Before Transfers	3,369,488	(2,502,866)	(59,084)	(55,684)	3,310,404	(2,558,550)
Transfers	(131,333)	66,327	131,333	(66,327)	0	0
Increase (Decrease) in Net Assets	3,238,155	(2,436,539)	72,249	(122,011)	3,310,404	(2,558,550)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>14,044,337</u>	<u>16,480,876</u>	<u>(112,297)</u>	<u>9,714</u>	<u>13,932,040</u>	<u>16,490,590</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$17,282,492</u>	<u>\$14,044,337</u>	<u>(\$40,048)</u>	<u>(\$112,297)</u>	<u>\$17,242,444</u>	<u>\$13,932,040</u>

**Willoughby-Eastlake City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2005*  
*Unaudited*

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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 voted millage does not increase as a result of inflation. For 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, years later, the home were reappraised and increased in market value to \$200,000 (assuming the market value of all homes in the taxing district doubled) the effective tax rate would become 0.5 mills and the homeowner 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 64.6 percent of revenues for governmental activities for Willoughby-Eastlake City Schools in fiscal year 2005. Taxes revenue increased due to a full year's collection of the levy that passed in fiscal year 2004, and the additional collection of delinquencies.

The largest governmental activities program expense remains instruction, comprising 60.9 percent of expenses. When combined with pupil and instructional support these categories make up 71.4 percent of total expenses. Instructional expenses increased by over \$3 million. A major part of that increase was \$1.1 million (35 percent) increase in tuition paid to other school districts, which was primarily for special education students. The remaining \$2 million increase (65 percent) was the result of an increase in the base wage coupled with personnel moving up on the salary schedule due to an additional year of experience and additional education.

Pupil and instructional support saw a 10.5 percent increase due to a number of factors, including: additional special education programs being offered, an increase in tuition paid to other districts to educate special education students, and an increase in the proportion of our students that are special education students.

Interest expense was primarily attributable to the outstanding bonds for the Willoughby-Eastlake Public Library.

Operation and maintenance of plant saw a \$381,729 decrease in fiscal year 2005 due to less maintenance and custodial supplies purchased and there was an increased usage of the Permanent Improvement Fund monies to purchase parts and equipment for the maintenance and transportation departments.

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.

**Willoughby-Eastlake City School District**  
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Table 3  
 Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2005	2004	2005	2004
Instruction	\$50,085,491	\$47,012,728	(\$46,929,732)	(\$44,051,989)
Support Services:				
Pupil and Instructional Staff	8,628,684	7,807,052	(6,436,732)	(6,209,484)
Board of Education, Administration, Fiscal and Business	7,139,929	6,781,118	(6,804,964)	(6,308,073)
Operation and Maintenance of Plant	7,245,874	7,627,603	(7,143,924)	(7,510,179)
Pupil Transportation	5,224,748	5,101,508	(5,066,156)	(4,753,107)
Central	975,591	873,224	(893,871)	(785,567)
Operation of Non-Instructional Services	942,262	891,941	(158,440)	30,443
Extracurricular Activities	1,943,532	1,724,236	(1,253,575)	(1,054,505)
Interest and Fiscal Charges	87,488	76,881	(87,488)	(76,881)
Total Expenses	<u>\$82,273,599</u>	<u>\$77,896,291</u>	<u>(\$74,774,882)</u>	<u>(\$70,719,342)</u>

The dependence upon tax revenues for governmental activities is apparent. Property taxes cover 90.5 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.

***Business-Type Activities***

Business-type activities include the food service, uniform school supplies, special services, adult continuing education, and extended daycare/preschool programs.

- The food service operation provides lunch in twelve of our school buildings and serves approximately 900,000 meals per year.
- The uniform school supplies fund operates book stores which sell workbooks, and consumable supplies to students.
- The extended daycare is a before-and-after school latchkey program offered at each of our elementary schools.
- The preschool program is offered at our Kennedy building and serves 150 children in programs for three-year-olds, three-and-four-year-olds, four-year-olds, and pre-kindergarten.
- The adult continuing education program, the ABLE Program, serves adults in the area of Western Lake County. The average yearly enrollment is 180 adults. Services included are:
  - GED preparation The GED test is given at this center each month during the year. Classes are free and are available during the regular school year.
  - Basic skills review in math, reading, or writing
  - Job skills review
  - English to speakers of other languages (ESOL)
  - Preparation or review classes for post-secondary education, i.e. LPN entrance exam, Lakeland Community College, Tri-C, etc.



**Willoughby-Eastlake City School District**  
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Sales and tuition revenues make up 98.5 percent of all revenues received by these funds. While salaries and materials and supplies make up 83.4 percent of all expenses. Overall net assets increased \$72,249 in 2005, which is primarily due to increased cash balances in all funds, however, some funds had expenses in excess revenues in addition to transfers from the general fund.

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

Information about the School District's major funds starts on page 16. These governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$85,318,885 and expenditures of \$80,326,083. The net change in fund balance for the year was most significant in the general fund, an increase of \$4,756,238. The voters passed a 2.49 mill, five-year operating levy on November 2, 2004 thus causing an increase of property taxes during the fiscal year.

### **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 2005, the School District amended its general fund budget several times to allow for changes in its economic conditions.

For the general fund, the final budget-basis estimated revenue was \$73,132,439, \$630,195 above original budget estimate of \$72,502,244. Total actual revenues were \$74,199,352, \$1,066,913 above the final budget estimate due to the receipt of six months' revenue from the levy passed in November, 2004.

The final budget-basis expenditures were \$74,302,234, \$1,078,590 above the original budget estimate of \$73,223,644. Total actual expenditures (cash outlays plus encumbrances) were \$73,264,547, \$1,037,687 below the final budget amount.

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

#### **Capital Assets**

At the end of fiscal 2005 the School District had \$17,517,560 invested in land, buildings and improvements, furniture and equipment and vehicles, \$17,452,282 in governmental activities and \$65,278 in business-type activities. During the fiscal year the School District decided by board approval to increase the capital asset threshold to \$5,000, up from \$1,000 in fiscal year 2004. A complete inventory review was performed in April, 2005 and resulted in a change in valuation due to assets not previously reported or assets previously disposed of but not reported to the Treasurer's office. The overall effect of these changes decreased beginning capital assets by \$1,250,057 from \$19,299,428 to \$18,049,371. Table 4 shows fiscal year 2005 balances compared to fiscal year 2004:

**Willoughby-Eastlake City School District**  
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Table 4  
 Capital Assets at June 30  
 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$560,374	\$560,374	\$0	\$0	\$560,374	\$560,374
Buildings and Improvements	14,418,780	14,956,162	0	0	14,418,780	14,956,162
Furniture and Equipment	594,182	506,320	46,537	45,563	640,719	551,883
Vehicles	1,878,946	1,960,823	18,741	20,129	1,897,687	1,980,952
Totals	\$17,452,282	\$17,983,679	\$65,278	\$65,692	\$17,517,560	\$18,049,371

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 2005, this amounted to \$1,275,692 for each set aside. For fiscal 2005 the School District had qualifying disbursements for textbooks and instructional materials of \$1,041,966. The current year set-aside requirement is added to the set-aside reserve balance for fiscal year 2004 and the qualifying disbursements are subtracted to determine the required set-aside balance for fiscal year 2005. This required set-aside is reported in restricted net assets. The School District met the capital expenditure set aside requirement by having a permanent improvement fund. See Note 9 to the basic financial statements for additional information on capital assets.

**Debt**

On August 1, 2003, the School District issued \$2,205,000 in library improvement bonds, which were used to refund the 1992 library improvement bonds. The current outstanding debt is \$1,960,000 for fiscal year 2005.

At June 30, 2005, the School District's overall legal debt margin was \$156,668,893 with an unvoted debt margin of \$1,757,440. The School District does not have a current bond rating. See Note 15 to the basic financial statements for additional information on debt.

**Current Issues**

The Board of Education and administration have implemented fiscal management disciplines that utilize a variety of formal plans to ensure financial stability. 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 the next three fiscal years. Beyond that time period, our future revenue base is dependent upon the renewal of emergency levies expiring in 2007, 2008 and in 2009. In November of 2004, the voters in the School District passed a new \$4.35 million emergency levy which expires December 31, 2009.

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

**Willoughby-Eastlake City School District**  
*Management's Discussion and Analysis*  
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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 \$160,000 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 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 2007, 2008 and 2009).
- 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.

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 the past five 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](mailto:we_reinhardt@lgca.org).

## Basic Financial Statements

**Willoughby-Eastlake City School District**

*Statement of Net Assets*

*June 30, 2005*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$14,781,450	\$367,427	\$15,148,877
Accounts Receivable	133,156	726	133,882
Intergovernmental Receivable	516,634	0	516,634
Prepaid Items	42,035	0	42,035
Inventory Held for Resale	0	24,564	24,564
Materials and Supplies Inventory	0	1,896	1,896
Taxes Receivable	62,267,759	0	62,267,759
Deferred Charges	37,207	0	37,207
Nondepreciable Capital Assets	560,374	0	560,374
Depreciable Capital Assets, Net	16,891,908	65,278	16,957,186
<i>Total Assets</i>	<u>95,230,523</u>	<u>459,891</u>	<u>95,690,414</u>
<b>Liabilities</b>			
Accounts Payable	781,046	761	781,807
Accrued Wages	7,368,456	188,802	7,557,258
Intergovernmental Payable	2,331,085	167,045	2,498,130
Accrued Interest Payable	7,077	0	7,077
Deferred Revenue	51,921,115	0	51,921,115
Claims Payable	1,358,418	0	1,358,418
Long-Term Liabilities:			
Due Within One Year	1,411,103	12,988	1,424,091
Due In More Than One Year	12,769,731	130,343	12,900,074
<i>Total Liabilities</i>	<u>77,948,031</u>	<u>499,939</u>	<u>78,447,970</u>
<b>Net Assets</b>			
Invested in Capital Assets	17,452,282	65,278	17,517,560
Restricted for:			
Set Asides	2,256,636	0	2,256,636
Capital Projects	1,179,341	0	1,179,341
Debt Service	373,366	0	373,366
Special Trust	125,620	0	125,620
Public School Support	173,963	0	173,963
Adult LPN	419,758	0	419,758
Job Training Partnership Act	181,803	0	181,803
Retired Senior Volunteers	115,078	0	115,078
Other Purposes	314,854	0	314,854
Unrestricted (Deficit)	<u>(5,310,209)</u>	<u>(105,326)</u>	<u>(5,415,535)</u>
<i>Total Net Assets (Deficit)</i>	<u>\$17,282,492</u>	<u>(\$40,048)</u>	<u>\$17,242,444</u>

See accompanying notes to the basic financial statements

**Willoughby-Eastlake City School District**

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2005*

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$39,451,496	\$674,562	\$576,958	\$0
Special	8,855,371	123,485	1,317,349	0
Vocational	1,475,021	23,455	48,151	0
Adult/Continuing	303,603	223,491	168,308	0
Support Services:				
Pupil	5,381,087	164,628	962,223	76,335
Instructional Staff	3,247,597	55,346	933,420	0
Board of Education	266,648	4,311	0	0
Administration	4,933,928	205,684	93,617	0
Fiscal	1,508,234	24,372	0	0
Business	431,119	6,981	0	0
Operation and Maintenance of Plant	7,245,874	98,005	3,945	0
Pupil Transportation	5,224,748	84,032	74,560	0
Central	975,591	14,555	28,165	39,000
Operation of Non-Instructional Services	942,262	7,367	776,455	0
Extracurricular Activities	1,943,532	487,055	202,902	0
Interest and Fiscal Charges	87,488	0	0	0
<i>Total Governmental Activities</i>	<u>82,273,599</u>	<u>2,197,329</u>	<u>5,186,053</u>	<u>115,335</u>
<b>Business-Type Activities</b>				
Food Service	2,372,720	1,542,351	727,013	6,902
Uniform School Supplies	351,275	296,051	0	0
Special Services	25,326	23,984	0	0
Community Education	9,033	4,100	3,915	0
Latchkey/Preschool	467,330	548,841	0	0
<i>Total Business-Type Activities</i>	<u>3,225,684</u>	<u>2,415,327</u>	<u>730,928</u>	<u>6,902</u>
<i>Totals</i>	<u><u>\$85,499,283</u></u>	<u><u>\$4,612,656</u></u>	<u><u>\$5,916,981</u></u>	<u><u>\$122,237</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 (Deficit) 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
(\$38,199,976)	\$0	(\$38,199,976)
(7,414,537)	0	(7,414,537)
(1,403,415)	0	(1,403,415)
88,196	0	88,196
(4,177,901)	0	(4,177,901)
(2,258,831)	0	(2,258,831)
(262,337)	0	(262,337)
(4,634,627)	0	(4,634,627)
(1,483,862)	0	(1,483,862)
(424,138)	0	(424,138)
(7,143,924)	0	(7,143,924)
(5,066,156)	0	(5,066,156)
(893,871)	0	(893,871)
(158,440)	0	(158,440)
(1,253,575)	0	(1,253,575)
(87,488)	0	(87,488)
<u>(74,774,882)</u>	<u>0</u>	<u>(74,774,882)</u>
0	(96,454)	(96,454)
0	(55,224)	(55,224)
0	(1,342)	(1,342)
0	(1,018)	(1,018)
0	81,511	81,511
<u>0</u>	<u>(72,527)</u>	<u>(72,527)</u>
<u>(74,774,882)</u>	<u>(72,527)</u>	<u>(74,847,409)</u>
53,629,247	0	53,629,247
345,283	0	345,283
1,270,650	0	1,270,650
89,065	0	89,065
22,184,930	0	22,184,930
409,369	888	410,257
215,826	12,555	228,381
78,144,370	13,443	78,157,813
<u>(131,333)</u>	<u>131,333</u>	<u>0</u>
<u>78,013,037</u>	<u>144,776</u>	<u>78,157,813</u>
3,238,155	72,249	3,310,404
<u>14,044,337</u>	<u>(112,297)</u>	<u>13,932,040</u>
<u>\$17,282,492</u>	<u>(\$40,048)</u>	<u>\$17,242,444</u>

**Willoughby-Eastlake City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2005*

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,357,342	\$3,456,751	\$6,814,093
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	2,256,636	0	2,256,636
Accounts Receivable	132,653	0	132,653
Intergovernmental Receivable	5,866	510,768	516,634
Interfund Receivable	74,250	0	74,250
Prepaid Items	36,879	0	36,879
Taxes Receivable	60,484,832	1,782,927	62,267,759
<i>Total Assets</i>	<u>\$66,348,458</u>	<u>\$5,750,446</u>	<u>\$72,098,904</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$362,271	\$416,773	\$779,044
Accrued Wages and Benefits	6,938,151	406,649	7,344,800
Interfund Payable	0	74,250	74,250
Intergovernmental Payable	2,216,398	114,413	2,330,811
Deferred Revenue	51,711,442	1,794,674	53,506,116
<i>Total Liabilities</i>	<u>61,228,262</u>	<u>2,806,759</u>	<u>64,035,021</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	1,196,222	337,316	1,533,538
Reserved for Property Taxes	6,790,195	197,481	6,987,676
Reserved for Textbooks	2,256,636	0	2,256,636
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	(5,122,857)	0	(5,122,857)
Special Revenue Funds	0	1,199,521	1,199,521
Debt Service Funds	0	420,081	420,081
Capital Projects Funds	0	789,288	789,288
<i>Total Fund Balances</i>	<u>5,120,196</u>	<u>2,943,687</u>	<u>8,063,883</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$66,348,458</u>	<u>\$5,750,446</u>	<u>\$72,098,904</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, 2005

<b>Total Governmental Fund Balances</b>	<b>\$8,063,883</b>
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	17,452,282
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Delinquent Property Taxes	1,314,084
Grants	270,917
Total	1,585,001
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.	4,332,030
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(7,077)
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.	37,207
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(1,960,000)
Bond Premium	(86,681)
Accounting Gain	49,451
Compensated Absences	(12,183,604)
Total	(14,180,834)
<i>Net Assets of Governmental Activities</i>	<b>\$17,282,492</b>

See accompanying notes to the basic financial statements

**Willoughby-Eastlake City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2005*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$53,342,343	\$1,699,782	\$55,042,125
Intergovernmental	21,772,703	5,364,153	27,136,856
Interest	403,463	5,906	409,369
Tuition and Fees	569,965	334,450	904,415
Extracurricular Activities	0	659,822	659,822
Contributions and Donations	0	317,380	317,380
Charges for Services	393,347	5,133	398,480
Rentals	221,809	12,803	234,612
Miscellaneous	153,100	62,726	215,826
<i>Total Revenues</i>	<u>76,856,730</u>	<u>8,462,155</u>	<u>85,318,885</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	36,779,353	730,477	37,509,830
Special	7,459,400	1,206,344	8,665,744
Vocational	1,541,140	39,222	1,580,362
Adult/Continuing	0	301,650	301,650
Support Services:			
Pupil	4,172,831	1,040,604	5,213,435
Instructional Staff	2,354,901	956,216	3,311,117
Board of Education	266,198	450	266,648
Administration	4,602,411	179,073	4,781,484
Fiscal	1,524,226	3,228	1,527,454
Business	329,777	0	329,777
Operation and Maintenance of Plant	5,851,571	16,243	5,867,814
Pupil Transportation	4,766,093	92,082	4,858,175
Central	903,714	41,287	945,001
Operation of Non-Instructional Services	30,860	915,326	946,186
Extracurricular Activities	1,037,954	903,846	1,941,800
Capital Outlay	36,668	1,909,951	1,946,619
Debt Service:			
Principal Retirement	0	245,000	245,000
Interest and Fiscal Charges	0	87,987	87,987
<i>Total Expenditures</i>	<u>71,657,097</u>	<u>8,668,986</u>	<u>80,326,083</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,199,633</u>	<u>(206,831)</u>	<u>4,992,802</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	313,228	313,228
Transfers Out	(443,395)	(1,166)	(444,561)
<i>Total Other Financing Sources (Uses)</i>	<u>(443,395)</u>	<u>312,062</u>	<u>(131,333)</u>
<i>Net Change in Fund Balances</i>	4,756,238	105,231	4,861,469
<i>Fund Balances Beginning of Year</i>	<u>363,958</u>	<u>2,838,456</u>	<u>3,202,414</u>
<i>Fund Balances End of Year</i>	<u>\$5,120,196</u>	<u>\$2,943,687</u>	<u>\$8,063,883</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, 2005*

**Net Change in Fund Balances - Total Governmental Funds** \$4,861,469

*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	288,215	
Current Year Depreciation	(819,612)	
Total		(531,397)

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

Delinquent Property Taxes	292,120	
Grants	32,082	
Total		324,202

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 245,000

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

Accrued Interest	511	
Amortization of Issuance Costs	(6,120)	
Amortization of Premium on Bonds	14,244	
Amortization of Accounting Gain	(8,136)	
Total		499

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. 689,378

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	(2,998,292)	
Pension Obligations	647,296	
Total		(2,350,996)

*Change in Net Assets of Governmental Activities* \$3,238,155

See accompanying notes to the basic financial statements

**Willoughby-Eastlake City School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$48,979,171	\$49,427,280	\$50,564,453	\$1,137,173
Intergovernmental	21,771,487	21,965,092	21,847,703	(117,389)
Interest	366,419	369,772	378,279	8,507
Tuition and Fees	595,232	600,678	614,498	13,820
Charges for Services	401,437	377,565	393,347	15,782
Rentals	232,507	234,634	240,032	5,398
Miscellaneous	155,991	157,418	161,040	3,622
<i>Total Revenues</i>	<u>72,502,244</u>	<u>73,132,439</u>	<u>74,199,352</u>	<u>1,066,913</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	37,173,231	38,339,830	38,305,651	34,179
Special	7,674,892	7,551,682	7,530,018	21,664
Vocational	2,569,797	2,471,643	1,761,713	709,930
Support Services:				
Pupil	3,729,202	4,122,951	4,110,620	12,331
Instructional Staff	2,572,325	2,428,424	2,416,111	12,313
Board of Education	230,000	270,807	267,395	3,412
Administration	4,785,058	4,509,197	4,486,823	22,374
Fiscal	1,653,188	1,543,331	1,518,864	24,467
Business	413,382	404,463	346,095	58,368
Operation and Maintenance of Plant	5,601,081	5,827,379	5,817,998	9,381
Pupil Transportation	4,833,161	4,859,143	4,835,725	23,418
Central	974,499	952,547	903,022	49,525
Operation of Non-Instructional Services	1,378	1,378	0	1,378
Extracurricular Activities	971,424	978,433	927,844	50,589
Capital Outlay	41,026	41,026	36,668	4,358
<i>Total Expenditures</i>	<u>73,223,644</u>	<u>74,302,234</u>	<u>73,264,547</u>	<u>1,037,687</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(721,400)</u>	<u>(1,169,795)</u>	<u>934,805</u>	<u>2,104,600</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	163,987	172,753	195,000	22,247
Advances Out	(75,125)	(208,674)	(74,250)	134,424
Transfers Out	(490,599)	(490,599)	(259,395)	231,204
<i>Total Other Financing Sources (Uses)</i>	<u>(401,737)</u>	<u>(526,520)</u>	<u>(138,645)</u>	<u>387,875</u>
<i>Net Change in Fund Balance</i>	(1,123,137)	(1,696,315)	796,160	2,492,475
<i>Fund Balance Beginning of Year</i>	2,152,597	2,152,597	2,152,597	0
Prior Year Encumbrances Appropriated	1,073,018	1,073,018	1,073,018	0
<i>Fund Balance End of Year</i>	<u>\$2,102,478</u>	<u>\$1,529,300</u>	<u>\$4,021,775</u>	<u>\$2,492,475</u>

See accompanying notes to the basic financial statements

**Willoughby-Eastlake City School District**

*Statement of Fund Net Assets*

*Proprietary Funds*

*June 30, 2005*

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	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	<u>Funds</u>	<u>Fund</u>
<b>Assets</b>		
<i>Current Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$367,427	\$5,710,721
Accounts Receivable	726	503
Prepaid Items	0	5,156
Inventory Held for Resale	24,564	0
Materials and Supplies Inventory	1,896	0
	<u>394,613</u>	<u>5,716,380</u>
<i>Total Current Assets</i>		
<i>Noncurrent Assets</i>		
Depreciable Capital Assets, Net	65,278	0
	<u>65,278</u>	<u>0</u>
<i>Total Assets</i>	<u>459,891</u>	<u>5,716,380</u>
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Accounts Payable	761	2,002
Accrued Wages	188,802	23,656
Intergovernmental Payable	167,045	274
Compensated Absences Payable	12,988	0
Claims Payable	0	1,358,418
	<u>369,596</u>	<u>1,384,350</u>
<i>Total Current Liabilities</i>		
<i>Long-Term Liabilities:</i>		
Compensated Absences Payable	130,343	0
	<u>130,343</u>	<u>0</u>
<i>Total Liabilities</i>	<u>499,939</u>	<u>1,384,350</u>
<b>Net Assets</b>		
Invested in Capital Assets	65,278	0
Unrestricted (Deficit)	(105,326)	4,332,030
	<u>(105,326)</u>	<u>4,332,030</u>
<i>Total Net Assets (Deficit)</i>	<u>(\$40,048)</u>	<u>\$4,332,030</u>

See accompanying notes to the basic financial statements

**Willoughby-Eastlake City School District**

*Statement of Revenues,*

*Expenses and Changes in Fund Net Assets*

*Proprietary Funds*

*For the Fiscal Year Ended June 30, 2005*

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Operating Revenues</b>		
Tuition	\$552,941	\$0
Sales	1,838,402	0
Charges for Services	23,984	9,202,182
Miscellaneous	12,555	0
<i>Total Operating Revenues</i>	<u>2,427,882</u>	<u>9,202,182</u>
<b>Operating Expenses</b>		
Salaries	1,390,037	0
Fringe Benefits	440,120	0
Purchased Services	89,286	123,675
Materials and Supplies	655,622	0
Cost of Sales	643,303	0
Depreciation	7,316	0
Claims	0	8,389,129
<i>Total Operating Expenses</i>	<u>3,225,684</u>	<u>8,512,804</u>
<i>Operating Income (Loss)</i>	<u>(797,802)</u>	<u>689,378</u>
<b>Non-Operating Revenues</b>		
Donated Commodities	90,405	0
Interest	888	0
Operating Grants	640,523	0
<i>Total Non-Operating Revenues</i>	<u>731,816</u>	<u>0</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(65,986)</u>	<u>689,378</u>
Transfers In	244,000	0
Transfers Out	(112,667)	0
Capital Contributions	6,902	0
<i>Change in Net Assets</i>	<u>72,249</u>	<u>689,378</u>
<i>Net Assets (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>(112,297)</u>	<u>3,642,652</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$40,048)</u></u>	<u><u>\$4,332,030</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, 2005*

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$1,862,668	\$0
Cash Received from Tuition Payments	552,941	0
Cash Received from Interfund Services	0	9,201,985
Cash Received from Other Operating Sources	12,555	0
Cash Payments to Suppliers for Goods and Services	(1,300,840)	(96,630)
Cash Payments to Employees for Services	(1,270,340)	0
Cash Payments for Employee Benefits	(386,833)	0
Cash Payments for Claims	0	(7,906,462)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(529,849)</u>	<u>1,198,893</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating Grants Received	640,523	0
Transfers In	60,000	0
Transfers Out	(112,667)	0
Advances Out	(20,000)	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>567,856</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>		
Interest on Investments	888	0
<i>Net Increase in Cash and Cash Equivalents</i>	38,895	1,198,893
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>328,532</u>	<u>4,511,828</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$367,427</u></u>	<u><u>\$5,710,721</u></u>

(continued)

**Willoughby-Eastlake City School District**

*Statement of Cash Flows*

*Proprietary Funds (continued)*

*For the Fiscal Year Ended June 30, 2005*

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>		
<i>Operating Income (Loss)</i>	(\$797,802)	\$689,378
<i>Adjustments:</i>		
Donated Commodities Received During Year	90,405	0
Depreciation	7,316	0
<i>(Increase) Decreases in Assets:</i>		
Accounts Receivable	282	(197)
Prepaid Items	0	1,113
Inventory Held for Resale	(695)	0
Materials and Supplies Inventory	87	0
<i>Increase (Decrease) in Liabilities:</i>		
Accounts Payable	(2,426)	2,002
Accrued Wages and Benefits	119,697	23,656
Compensated Absences Payable	(24,341)	0
Intergovernmental Payable	77,628	274
Claims Payable	0	482,667
<i>Total Adjustments</i>	267,953	509,515
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$529,849)	\$1,198,893

**Noncash Capital Financing Activities**

Federal donated commodities in the amount of \$90,405 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 \$6,902.

See accompanying notes to the basic financial statements



**Willoughby-Eastlake City School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Fund*  
*June 30, 2005*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$187,211</u>
<b>Liabilities</b>	
Due to Students	<u>\$187,211</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, 2005*

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### **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 480 classified personnel, 584 certified full-time teaching personnel and 25 administrative employees to provide services to students and other community members.

The School District includes the cities of Willoughby, Eastlake, Willoughby Hills, Willowick and the villages of Lakeline, Timberlake, and Waite Hill, Lake County, Ohio. The enrollment for the School District during the 2005 fiscal year was 8,883. The School District operates seven elementary schools (K-5), three middle schools (6-8) and three high schools (9-12).

#### *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 and a related organization. These organizations are the East Shore Regional Transportation System, the East Shore Center, the Ohio Schools Council, the Willoughby-Eastlake Public Library. These organizations are discussed in Notes 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, 2005*

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### **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 unless those pronouncements conflict or contradict GASB pronouncements. The School District has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. 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 the 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, 2005*

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**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following 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, 2005*

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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, 2005, but which were levied to finance fiscal year 2006 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, 2005*

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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 2005, investments were limited to STAROhio, which is 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, 2005.

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 2005 amounted to \$403,463 which includes \$253,283 assigned from other School District funds.

## **Willoughby-Eastlake City School District**

### *Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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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 externally imposed by creditors, contributors, grantors or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts required by State statute to be set aside for textbooks. See Note 19 for additional information regarding set-asides.

#### ***H. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2005, 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 held 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 increased the capitalization threshold to \$5,000 from \$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.

The School District completed an inventory evaluation in April, 2005. The net effects of this evaluation are reflected in Notes 3 and 9.

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:

**Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings and Improvements	20-99 years	N/A
Furniture and Equipment	10-15 years	5-30 years
Vehicles	15 years	N/A

***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. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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' 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. Bond Issuance Costs***

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

***N. Bond Premium***

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

***O. Gain/Loss on Refunding***

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



## **Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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### ***P. 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.

### ***Q. 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.

The government-wide statement of net assets reports \$5,140,419 of restricted net assets, of which \$1,419,618 is restricted by enabling legislation.

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.

### ***R. 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.

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.

### ***S. 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.

## **Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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### ***T. 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.

### ***U. 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.

### ***V. 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.

### ***W. 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 – Change in Accounting Principle and Restatement of Prior Year Net Assets**

### ***A. Change in Accounting Principle***

For 2005, the School District has implemented GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units”, GASB Statement No. 40, “Deposit and Investment Risk Disclosures,” GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation” and GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers.”

GASB Statement No. 39 states that entities for which a primary organization is not financially accountable may still be reported as a component unit based on the nature and significance of their relationship with the primary government.

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 46 clarifies when net assets should be restricted based upon enabling legislation.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

**Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

The implementation of GASB Statement No. 39, GASB Statement No. 40, GASB Statement No. 46 and GASB Technical Bulletin No. 2004-2 did not affect the presentation of the financial statements of the School District.

**B. Restatement of Prior Year Net Assets**

At June 30, 2004, net assets for governmental and business-type activities were restated due to the School District having a complete inventory evaluation done in April of 2005, and a change in capital asset threshold from \$1,000 to \$5,000. These adjustments had the following effects on net assets.

	Governmental Activities	Business-Type Activities
Net Assets (Deficits) at June 30, 2004	\$15,275,823	(\$93,726)
Adjustment for Capital Assets	(1,231,486)	(18,571)
Restated Net Assets (Deficits) at June 30, 2004	<u>\$14,044,337</u>	<u>(\$112,297)</u>

**Note 4 – Fund Deficits**

The following funds had a deficit fund balance/net assets as of June 30, 2005:

**Special Revenue Funds**

Preschool At Risk	\$2,577
Entry Year Program	179
Student Intervention	1,507
Career Education	2,399
Class Size Reduction	62,980
Miscellaneous Federal Grant	5,351

**Enterprise Fund**

Food Service	225,442
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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 deficits resulted from the application of generally accepted accounting principles. The School District will review operations to determine if steps need to be taken to ensure that the fund is self-sustaining.

**Note 5 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and

**Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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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. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP 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	\$4,756,238
Net Adjustment for Revenue Accruals	(2,657,378)
Advance In	195,000
Net Adjustment for Expenditure Accruals	(15,247)
Advance Out	(74,250)
Transfers Out	184,000
Adjustment for Encumbrances	<u>(1,592,203)</u>
Budget Basis	<u><u>\$796,160</u></u>

**Note 6 - Deposits and Investments**

Monies held by the School District are classified into three categories.

Active deposits are public deposits necessary to meet current demands on the School District treasury. Active 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 has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

## Willoughby-Eastlake City School District

### *Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the School District can 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. Investments may only be made through specified dealers and institutions.

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

### **Deposits**

**Custodial Credit Risk** Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$14,922,305 of the School District's bank balance of \$15,222,305 was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

## Willoughby-Eastlake City School District

### *Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

#### **Investments**

All Investments are in an internal investment pool. As of June 30, 2005, the School District had a STAROhio investment with a fair value of \$372,351 and a maturity of thirty-three days.

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within one year from the date of purchase and that the School District's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk.** STAROhio carries a rating of AAAM by Standards and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

#### **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 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, 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 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 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 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the

**Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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. This year, the June 2005 personal property tax settlement was not received until July 2005.

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, 2005, are available to finance fiscal year 2005 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, 2005 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, 2005 was \$6,790,195 in the general fund, \$39,189 in the bond retirement debt service fund, and \$158,292 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2004, was \$5,995,500 in the general fund, \$45,586 in the bond retirement debt service fund, and \$147,524 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.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,495,749,310	85.68 %	\$1,507,618,970	85.78 %
Public Utility Personal	100,666,340	5.77	99,635,310	5.67
Tangible Personal Property	149,233,854	8.55	150,185,970	8.55
<b>Total</b>	<b>\$1,745,649,504</b>	<b>100.00 %</b>	<b>\$1,757,440,250</b>	<b>100.00 %</b>
Tax rate per \$1,000 of assessed valuation	\$47.39		\$49.77	

**Note 8 - Receivables**

Receivables at June 30, 2005, 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.

**Willoughby-Eastlake City School District**

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*For the Year Ended June 30, 2005*

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Excess Costs	\$5,560
Tuition and Fees	306
Preschool at Risk Grant and Subsidies	1,796
Ohio Reads Grant and Subsidies	6,221
Career Education Grant and Subsidies	2,897
Adult Basic Education Grant and Subsidies	19,341
Job Training Partnership Act	4,300
Title VI-B Grant and Subsidies	186,201
Vocational Education	1,579
Title III Grant and Subsidies	4,011
Title I Grant and Subsidies	203,599
Title VI Grant and Subsidies	3,990
Drug Free Schools Grant and Subsidies	11,224
Preschool Grant and Subsidies	5,131
Class Size Reduction and Subsidies	53,478
Miscellaneous Federal Grants	<u>7,000</u>
Total Intergovernmental Receivables	<u><u>\$516,634</u></u>

**Note 9 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	Restated Balance 6/30/2004	Additions	Deductions	Balance 6/30/2005
<b>Business-Type Activities</b>				
Furniture and Equipment	\$418,965	\$6,902	\$0	\$425,867
Vehicles	<u>20,823</u>	<u>0</u>	<u>0</u>	<u>20,823</u>
<i>Total Capital Assets, being depreciated</i>	<u>439,788</u>	<u>6,902</u>	<u>0</u>	<u>446,690</u>
Less Accumulated Depreciation:				
Furniture and Equipment	(373,402)	(5,928)	0	(379,330)
Vehicles	<u>(694)</u>	<u>(1,388)</u>	<u>0</u>	<u>(2,082)</u>
Total Accumulated Depreciation	<u>(374,096)</u>	<u>(7,316)</u>	<u>0</u>	<u>(381,412)</u>
Business-Type Activities				
Capital Assets, Net	<u>\$65,692</u>	<u>(\$414)</u>	<u>\$0</u>	<u>\$65,278</u>



**Willoughby-Eastlake City School District**

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	Restated Balance 6/30/2004	Additions	Deductions	Balance 6/30/2005
<b>Governmental Activities</b>				
<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	27,824,932	0	0	27,824,932
Furniture and Equipment	1,122,871	150,902	0	1,273,773
Vehicles	<u>4,221,125</u>	<u>137,313</u>	<u>0</u>	<u>4,358,438</u>
<i>Total Capital Assets, being depreciated</i>	<u>33,168,928</u>	<u>288,215</u>	<u>0</u>	<u>33,457,143</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(12,868,770)	(537,382)	0	(13,406,152)
Furniture and Equipment	(616,551)	(63,040)	0	(679,591)
Vehicles	<u>(2,260,302)</u>	<u>(219,190)</u>	<u>0</u>	<u>(2,479,492)</u>
Total Accumulated Depreciation	<u>(15,745,623)</u>	<u>(819,612) *</u>	<u>0</u>	<u>(16,565,235)</u>
Total Capital Assets being depreciated, Net	<u>17,423,305</u>	<u>(531,397)</u>	<u>0</u>	<u>16,891,908</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$17,983,679</u>	<u>(\$531,397)</u>	<u>\$0</u>	<u>\$17,452,282</u>

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

Instruction:	
Regular	\$244,331
Special	1,393
Support Services:	
Administration	25,928
Operation and Maintenance of Plant	17,705
Pupil Transportation	518,654
Central	2,278
Extracurricular Activities	<u>9,323</u>
<i>Total Depreciation Expense</i>	<u><u>\$819,612</u></u>

Depreciation expense was charged to the following business-type activity: food service \$7,316.

**Note 10 - Interfund Transactions**

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. Additionally the general fund transferred \$60,000 to uniform school supplies to cover deficit cash balance and the advance of \$184,000 from fiscal year 2004 was reclassified as a transfer.

**Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

Transfers made during the year ended June 30, 2005 were as follows:

<b>Transfer To</b>	<b>Transfer From</b>			<i>Business-Type</i>	
	<i>Governmental Activities</i>			<i>Activities</i>	
	General	Special Trust	Total	Latchkey/ Preschool	Total
<i>Governmental Activities</i>					
Public School Support	\$0	\$1,166	\$1,166	\$112,667	\$113,833
Athletics and Music	199,395	0	199,395	0	199,395
Total Governmental Activities	199,395	1,166	200,561	112,667	313,228
<i>Business-Type Activities</i>					
Uniform School Supplies	244,000	0	244,000	0	244,000
Grand total	\$443,395	\$1,166	\$444,561	\$112,667	\$557,228

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. Interfund balances at June 30, 2005, consist of the following individual fund receivables and payables:

<b>Interfund Payable</b>	<b>Interfund Receivable</b>
	General Fund
Governmental Activities	
Nonmajor Funds	
Educational Management Information Systems	\$5,900
Ohio Reads Grant	3,600
Career Education	2,100
Adult Basic Education	2,100
Drug Free Schools Grant	10,950
Preschool Grant	5,000
Class Size Reduction	4,600
Permanent Improvement	40,000
Total Governmental Activities	\$74,250

**Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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**Note 11 - Risk Management**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2004, the School District contracted with the Ohio Schools Council 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 Indiana Insurance Company 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.

The School District contracted with Indiana Insurance Company for liability coverage with limits of liability of \$1,000,000 per claim and \$2,000,000 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 pays a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The firm of Sheakley UniServices, Inc. provides administrative cost control and actuarial services to the School District

***C. Employee Medical Benefits***

The School District provides medical, surgical, prescription drug and dental benefits to its employees on a self-insured basis. Third parties Medical Mutual and Anthem review all claims which are then paid by the School District. A 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 to be maintained at \$6,213,500.

The claims liability of \$1,358,418 reported in the internal service fund at June 30, 2005, 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:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Current Year Payments</u>	<u>Balance at End of Year</u>
2004	\$1,150,400	\$5,109,869	\$5,384,518	\$875,751
2005	875,751	8,389,129	7,906,462	1,358,418

## **Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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### **Note 12 - Defined Benefit Pension Plans**

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

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,117,320, \$959,959, and \$835,348, respectively; 53.21 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

#### ***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, by calling (614) 227-4090, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on 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.

## **Willoughby-Eastlake City School District**

### *Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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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, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. 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, 2005, 2004, and 2003 were \$5,144,490, \$4,984,192, and \$4,892,401, respectively; 79.20 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$33,233 made by the School District and \$84,441 made by the plan members.

### **Note 13 - Postemployment Benefits**

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

STRS retirees who participated in the DB or Combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Stabilization Fund. For the School District, this amount equaled \$395,730 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004 (the latest information available), the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

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, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference

**Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2005 fiscal year, the School District paid \$527,368 to fund health care benefits, including the surcharge.

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, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

**Note 14 - 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 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 260 accumulated sick days.

**B. Life Insurance Benefits**

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 15 - Long-Term Obligations**

Changes in long-term obligations of the School District during fiscal year 2005, were as follows:

	Principal Outstanding 6/30/2004	Additions	Deductions	Principal Outstanding 6/30/2005	Amounts Due in One Year
<b>Governmental Activities</b>					
2003 \$2,205,000 6.00%					
Library Improvement Refunding Bonds	\$2,205,000	\$0	(\$245,000)	\$1,960,000	\$250,000
Unamortized Premium	100,925	0	(14,244)	86,681	0
Unamortized Accounting Gain	(57,587)	0	8,136	(49,451)	0
Compensated Absences	9,185,312	3,850,266	(851,974)	12,183,604	1,161,103
Total Governmental Activities					
Long-Term Liabilities	<u>\$11,433,650</u>	<u>\$3,850,266</u>	<u>(\$1,103,082)</u>	<u>\$14,180,834</u>	<u>\$1,411,103</u>
<b>Business-Type Activities</b>					
Compensated Absences	<u>\$167,672</u>	<u>\$5,053</u>	<u>(\$29,394)</u>	<u>\$143,331</u>	<u>\$12,988</u>

## Willoughby-Eastlake City School District

### Notes to the Basic Financial Statements

For the Year Ended June 30, 2005

On August 1, 2003, the School District issued \$2,205,000 in library improvement refunding bonds with interest rates varying from 2.50 percent to 6.00 percent. Proceeds were used to refund \$2,205,000 of the outstanding 1991 Library Improvement Bonds.

The bonds were issued at a premium of \$113,982. Proceeds of \$2,270,045 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment on the refunded portion of the 1991 Library Improvement bonds. As a result, \$1,960,000 of these bonds is considered defeased.

The refunding resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$65,045. This difference, being reported as a reduction in bonds payable, is being charged to operations through year 2012 using the straight-line method.

Compensated absences will be paid from the general fund, 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 \$156,668,893 with an unvoted debt margin of \$1,757,440 at June 30, 2005. Principal and interest requirement to retire the bond outstanding at June 30, 2005, are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2006	\$250,000	\$81,800	\$331,800
2007	255,000	75,168	330,168
2008	265,000	67,356	332,356
2009	275,000	58,238	333,238
2010	285,000	45,231	330,231
2011-2012	630,000	38,018	668,018
Total	<u>\$1,960,000</u>	<u>\$365,811</u>	<u>\$2,325,811</u>

## Note 16 - 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 2005, the School District paid \$46,358 to ESRTS. Financial information can be obtained by writing the fiscal agent, Kirtland Board of Education, 9152 Chillicothe Road, Kirtland, Ohio 44094.

## **Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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### ***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 2005, the School District paid \$1,790 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 2005, the School District paid \$2,560 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Rd., Suite 10, Independence, Ohio 44131.

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

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

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

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.



## **Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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### **Note 17 - 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 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, 2005.

#### ***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 - 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.

**Willoughby-Eastlake City School District**

*Notes to the Basic Financial Statements*

*For the Year Ended June 30, 2005*

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	Textbooks Instructional Materials Reserve	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2004	\$2,022,910	\$0
Current Year Set-aside Requirement	1,275,692	1,275,692
Qualifying Disbursements	(1,041,966)	(1,329,713)
Totals	<u>\$2,256,636</u>	<u>(\$54,021)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$2,256,636</u>	<u>\$0</u>
Set-aside Balance as of June 30, 2005	<u>\$2,256,636</u>	<u>\$0</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.

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

## *Combining Statements – Nonmajor Governmental Funds*

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### *Nonmajor Special Revenue Funds*

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

*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.

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

*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.

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

*Entry Year Program Fund* - This fund accounts for State monies used for the mentoring and assessment of the entry year teacher.

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

*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.

*Student Intervention Fund* - This fund accounts for monies received for student intervention programs and supplies.

*Career Education Fund* - This fund accounts for State monies received for vocational education career education projects.

(continued)

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

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

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

*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.

*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.

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

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

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

*Drug Free Schools Grant Fund* - This fund accounts for federal 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.

*Class Size Reduction Fund* – This fund accounts for federal monies received to encourage and help fund smaller classroom size and additional staffing needs.

*Retired Senior Volunteers Fund* – This fund accounts for State monies used for the retired senior volunteer program.

*Miscellaneous Federal Grants* - This fund accounts for federal monies used to provide library services and technology activities within the School District.

(continued)

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

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***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, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,767,288	\$411,856	\$1,277,607	\$3,456,751
Intergovernmental Receivable	510,768	0	0	510,768
Taxes Receivable	0	345,996	1,436,931	1,782,927
<i>Total Assets</i>	<u>\$2,278,056</u>	<u>\$757,852</u>	<u>\$2,714,538</u>	<u>\$5,750,446</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$115,654	\$0	\$301,119	\$416,773
Accrued Wages and Benefits	406,649	0	0	406,649
Interfund Payable	34,250	0	40,000	74,250
Intergovernmental Payable	114,413	0	0	114,413
Deferred Revenue	270,917	298,582	1,225,175	1,794,674
<i>Total Liabilities</i>	<u>941,883</u>	<u>298,582</u>	<u>1,566,294</u>	<u>2,806,759</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	136,652	0	200,664	337,316
Reserved for Property Taxes	0	39,189	158,292	197,481
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,199,521	0	0	1,199,521
Debt Service Funds	0	420,081	0	420,081
Capital Projects Funds	0	0	789,288	789,288
<i>Total Fund Balances</i>	<u>1,336,173</u>	<u>459,270</u>	<u>1,148,244</u>	<u>2,943,687</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,278,056</u>	<u>\$757,852</u>	<u>\$2,714,538</u>	<u>\$5,750,446</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, 2005*

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$89,065	\$345,637	\$1,265,080	\$1,699,782
Intergovernmental	4,869,274	63,366	431,513	5,364,153
Interest	5,906	0	0	5,906
Tuition and Fees	334,450	0	0	334,450
Extracurricular Activities	659,822	0	0	659,822
Contributions and Donations	317,380	0	0	317,380
Charges for Services	5,133	0	0	5,133
Rentals	12,803	0	0	12,803
Miscellaneous	62,726	0	0	62,726
<i>Total Revenues</i>	<u>6,356,559</u>	<u>409,003</u>	<u>1,696,593</u>	<u>8,462,155</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	730,477	0	0	730,477
Special	1,206,344	0	0	1,206,344
Vocational	39,222	0	0	39,222
Adult/Continuing	301,650	0	0	301,650
Support Services:				
Pupil	1,040,604	0	0	1,040,604
Instructional Staff	956,216	0	0	956,216
Board of Education	0	450	0	450
Administration	179,073	0	0	179,073
Fiscal	0	3,228	0	3,228
Operation and Maintenance of Plant	16,243	0	0	16,243
Pupil Transportation	92,082	0	0	92,082
Central	41,287	0	0	41,287
Operation of Non-Instructional Services	915,326	0	0	915,326
Extracurricular Activities	903,846	0	0	903,846
Capital Outlay	0	0	1,909,951	1,909,951
Debt Service:				
Principal Retirement	0	245,000	0	245,000
Interest and Fiscal Charges	0	87,987	0	87,987
<i>Total Expenditures</i>	<u>6,422,370</u>	<u>336,665</u>	<u>1,909,951</u>	<u>8,668,986</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(65,811)</u>	<u>72,338</u>	<u>(213,358)</u>	<u>(206,831)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	313,228	0	0	313,228
Transfers Out	(1,166)	0	0	(1,166)
<i>Total Other Financing Sources (Uses)</i>	<u>312,062</u>	<u>0</u>	<u>0</u>	<u>312,062</u>
<i>Net Change in Fund Balances</i>	246,251	72,338	(213,358)	105,231
<i>Fund Balances Beginning of Year</i>	<u>1,089,922</u>	<u>386,932</u>	<u>1,361,602</u>	<u>2,838,456</u>
<i>Fund Balances End of Year</i>	<u>\$1,336,173</u>	<u>\$459,270</u>	<u>\$1,148,244</u>	<u>\$2,943,687</u>

**Willoughby-Eastlake City School District**

*Combining Balance Sheet*

*Nonmajor Special Revenue Funds*

*June 30, 2005*

	<u>Special Trust</u>	<u>Public School Support</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Adult LPN</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$132,354	\$222,343	\$70,898	\$146,028	\$521,443
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u>\$132,354</u>	<u>\$222,343</u>	<u>\$70,898</u>	<u>\$146,028</u>	<u>\$521,443</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$6,734	\$48,380	\$9,500	\$37,992	\$617
Accrued Wages and Benefits	0	0	3,500	4,143	51,887
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	5,461	8,893	10,311
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>6,734</u>	<u>48,380</u>	<u>18,461</u>	<u>51,028</u>	<u>62,815</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	45	9,415	6,855	103,744	217
Unreserved, Undesignated (Deficit)	<u>125,575</u>	<u>164,548</u>	<u>45,582</u>	<u>(8,744)</u>	<u>458,411</u>
<i>Total Fund Balances (Deficit)</i>	<u>125,620</u>	<u>173,963</u>	<u>52,437</u>	<u>95,000</u>	<u>458,628</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$132,354</u>	<u>\$222,343</u>	<u>\$70,898</u>	<u>\$146,028</u>	<u>\$521,443</u>



<u>Educational Management Information Systems</u>	<u>Preschool At Risk</u>	<u>Entry Year Program</u>	<u>School Net Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Student Intervention</u>	<u>Career Education</u>
\$11,138	\$4,782	\$0	\$9,178	\$6,523	\$40	\$1,276
<u>0</u>	<u>1,796</u>	<u>0</u>	<u>0</u>	<u>6,221</u>	<u>0</u>	<u>2,897</u>
<u>\$11,138</u>	<u>\$6,578</u>	<u>\$0</u>	<u>\$9,178</u>	<u>\$12,744</u>	<u>\$40</u>	<u>\$4,173</u>
\$5,238	\$0	\$0	\$0	\$2,234	\$0	\$0
0	7,248	0	0	137	0	4,272
5,900	0	0	0	3,600	0	2,100
0	1,907	179	0	167	1,547	200
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,140</u>	<u>0</u>	<u>0</u>
<u>11,138</u>	<u>9,155</u>	<u>179</u>	<u>0</u>	<u>8,278</u>	<u>1,547</u>	<u>6,572</u>
0	0	0	0	4,268	0	1,275
<u>0</u>	<u>(2,577)</u>	<u>(179)</u>	<u>9,178</u>	<u>198</u>	<u>(1,507)</u>	<u>(3,674)</u>
<u>0</u>	<u>(2,577)</u>	<u>(179)</u>	<u>9,178</u>	<u>4,466</u>	<u>(1,507)</u>	<u>(2,399)</u>
<u>\$11,138</u>	<u>\$6,578</u>	<u>\$0</u>	<u>\$9,178</u>	<u>\$12,744</u>	<u>\$40</u>	<u>\$4,173</u>

(continued)

**Willoughby-Eastlake City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2005*

	Adult Basic Education	Job Training Partnership Act	Title VI-B	Vocational Education	Title III
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,763	\$179,596	\$57,492	\$87,065	\$1,498
Intergovernmental Receivable	19,341	4,300	186,201	1,579	4,011
<i>Total Assets</i>	<u>\$21,104</u>	<u>\$183,896</u>	<u>\$243,693</u>	<u>\$88,644</u>	<u>\$5,509</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$636	\$0	\$441	\$0	\$0
Accrued Wages and Benefits	4,274	1,386	168,331	10,324	0
Interfund Payable	2,100	0	0	0	0
Intergovernmental Payable	3,509	707	37,809	2,643	1,505
Deferred Revenue	6,269	0	1,441	0	0
<i>Total Liabilities</i>	<u>16,788</u>	<u>2,093</u>	<u>208,022</u>	<u>12,967</u>	<u>1,505</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	1,070	0	416	0	0
Unreserved, Undesignated (Deficit)	3,246	181,803	35,255	75,677	4,004
<i>Total Fund Balances (Deficit)</i>	<u>4,316</u>	<u>181,803</u>	<u>35,671</u>	<u>75,677</u>	<u>4,004</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$21,104</u>	<u>\$183,896</u>	<u>\$243,693</u>	<u>\$88,644</u>	<u>\$5,509</u>

Title I	Title V	Drug Free Schools Grant	Preschool Grant	Class Size Reduction	Retired Senior Volunteers	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$169,899	\$6,854	\$3,041	\$6,350	\$1,003	\$119,883	\$6,841	\$1,767,288
203,599	3,990	11,224	5,131	53,478	7,000	0	510,768
<u>\$373,498</u>	<u>\$10,844</u>	<u>\$14,265</u>	<u>\$11,481</u>	<u>\$54,481</u>	<u>\$126,883</u>	<u>\$6,841</u>	<u>\$2,278,056</u>
\$2,146	\$0	\$0	\$0	\$1,000	\$186	\$550	\$115,654
89,993	0	0	0	49,645	0	11,509	406,649
0	0	10,950	5,000	4,600	0	0	34,250
24,853	0	60	310	8,738	5,481	133	114,413
203,599	3,990	0	0	53,478	0	0	270,917
<u>320,591</u>	<u>3,990</u>	<u>11,010</u>	<u>5,310</u>	<u>117,461</u>	<u>5,667</u>	<u>12,192</u>	<u>941,883</u>
397	0	3,012	5,130	0	105	703	136,652
52,510	6,854	243	1,041	(62,980)	121,111	(6,054)	1,199,521
<u>52,907</u>	<u>6,854</u>	<u>3,255</u>	<u>6,171</u>	<u>(62,980)</u>	<u>121,216</u>	<u>(5,351)</u>	<u>1,336,173</u>
<u>\$373,498</u>	<u>\$10,844</u>	<u>\$14,265</u>	<u>\$11,481</u>	<u>\$54,481</u>	<u>\$126,883</u>	<u>\$6,841</u>	<u>\$2,278,056</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, 2005

	Special Trust	Public School Support	Athletics and Music	Auxiliary Services	Adult LPN
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	0	0	663,900	156,865
Interest	2,198	0	0	3,708	0
Tuition and Fees	0	0	0	0	334,450
Extracurricular Activities	9,500	278,605	370,902	0	0
Contributions and Donations	4,050	184,568	123,319	0	0
Charges for Services	0	0	0	0	5,133
Rentals	12,803	0	0	0	0
Miscellaneous	1,540	16,138	35,844	0	9,204
<i>Total Revenues</i>	<u>30,091</u>	<u>479,311</u>	<u>530,065</u>	<u>667,608</u>	<u>505,652</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	522	112,310	0	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	0	0	0	237,006
Support Services:					
Pupil	1,572	134,333	60,344	0	0
Instructional Staff	17,301	9,819	0	0	0
Administration	0	28,178	0	0	123,049
Operation and Maintenance of Plant	0	12,921	0	0	0
Pupil Transportation	0	0	16,706	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	9,187	0	0	670,343	0
Extracurricular Activities	1,127	306,905	595,814	0	0
<i>Total Expenditures</i>	<u>29,709</u>	<u>604,466</u>	<u>672,864</u>	<u>670,343</u>	<u>360,055</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>382</u>	<u>(125,155)</u>	<u>(142,799)</u>	<u>(2,735)</u>	<u>145,597</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	113,833	199,395	0	0
Transfers Out	(1,166)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,166)</u>	<u>113,833</u>	<u>199,395</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(784)	(11,322)	56,596	(2,735)	145,597
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>126,404</u>	<u>185,285</u>	<u>(4,159)</u>	<u>97,735</u>	<u>313,031</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$125,620</u>	<u>\$173,963</u>	<u>\$52,437</u>	<u>\$95,000</u>	<u>\$458,628</u>

Educational Management Information Systems	Preschool At Risk	Entry Year Program	School Net Professional Development	Ohio Reads Grant	Student Intervention	Career Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0
28,165	49,424	15,400	6,750	43,358	157,876	51,259
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
28,165	49,424	15,400	6,750	43,358	157,876	51,259
0	0	0	0	39,529	157,172	11,777
0	23,922	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	7,027	0	0	0	0	44,205
0	21,195	15,579	2,098	4,223	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
41,287	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
41,287	52,144	15,579	2,098	43,752	157,172	55,982
(13,122)	(2,720)	(179)	4,652	(394)	704	(4,723)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(13,122)	(2,720)	(179)	4,652	(394)	704	(4,723)
13,122	143	0	4,526	4,860	(2,211)	2,324
\$0	(\$2,577)	(\$179)	\$9,178	\$4,466	(\$1,507)	(\$2,399)

(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, 2005

	School Security	Adult Basic Education	Job Training Partnership Act	Title VI-B	Vocational Education
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	89,359	181,453	1,846,155	140,339
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	815	0	0
Contributions and Donations	0	0	0	0	0
Charges for Services	0	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>89,359</u>	<u>182,268</u>	<u>1,846,155</u>	<u>140,339</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	0	0	465,284	0
Vocational	0	0	37,090	0	2,132
Adult/Continuing	0	55,922	8,722	0	0
Support Services:					
Pupil	0	0	0	650,754	97,790
Instructional Staff	0	39,919	103,421	613,804	4,140
Administration	0	0	0	3,025	0
Operation and Maintenance of Plant	3,322	0	0	0	0
Pupil Transportation	0	0	0	75,000	376
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	57,590	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>3,322</u>	<u>95,841</u>	<u>149,233</u>	<u>1,865,457</u>	<u>104,438</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,322)</u>	<u>(6,482)</u>	<u>33,035</u>	<u>(19,302)</u>	<u>35,901</u>
<b>Other Financing Sources (Uses)</b>					
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>	(3,322)	(6,482)	33,035	(19,302)	35,901
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>3,322</u>	<u>10,798</u>	<u>148,768</u>	<u>54,973</u>	<u>39,776</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>\$4,316</u></u>	<u><u>\$181,803</u></u>	<u><u>\$35,671</u></u>	<u><u>\$75,677</u></u>

Title III	Title I	Title V	Drug Free Schools Grant	Preschool Grant	Class Size Reduction
\$0	\$0	\$0	\$0	\$0	\$0
49,367	882,707	37,525	43,033	61,082	272,278
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
49,367	882,707	37,525	43,033	61,082	272,278
0	0	29,586	0	0	335,281
39,860	624,839	0	0	52,439	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	43,381	0	0
0	124,358	0	0	0	0
0	24,821	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	36,587	2,334	1,331	0	2,000
0	0	0	0	0	0
39,860	810,605	31,920	44,712	52,439	337,281
9,507	72,102	5,605	(1,679)	8,643	(65,003)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
9,507	72,102	5,605	(1,679)	8,643	(65,003)
(5,503)	(19,195)	1,249	4,934	(2,472)	2,023
\$4,004	\$52,907	\$6,854	\$3,255	\$6,171	(\$62,980)

(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, 2005*

	Retired Senior Volunteers	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Revenues</b>			
Property Taxes	\$89,065	\$0	\$89,065
Intergovernmental	60,683	32,296	4,869,274
Interest	0	0	5,906
Tuition and Fees	0	0	334,450
Extracurricular Activities	0	0	659,822
Contributions and Donations	5,443	0	317,380
Charges for Services	0	0	5,133
Rentals	0	0	12,803
Miscellaneous	0	0	62,726
<i>Total Revenues</i>	<u>155,191</u>	<u>32,296</u>	<u>6,356,559</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	0	44,300	730,477
Special	0	0	1,206,344
Vocational	0	0	39,222
Adult/Continuing	0	0	301,650
Support Services:			
Pupil	0	1,198	1,040,604
Instructional Staff	0	359	956,216
Administration	0	0	179,073
Operation and Maintenance of Plant	0	0	16,243
Pupil Transportation	0	0	92,082
Central	0	0	41,287
Operation of Non-Instructional Services	134,961	993	915,326
Extracurricular Activities	0	0	903,846
<i>Total Expenditures</i>	<u>134,961</u>	<u>46,850</u>	<u>6,422,370</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>20,230</u>	<u>(14,554)</u>	<u>(65,811)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	0	313,228
Transfers Out	0	0	(1,166)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>312,062</u>
<i>Net Change in Fund Balances</i>	20,230	(14,554)	246,251
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>100,986</u>	<u>9,203</u>	<u>1,089,922</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$121,216</u></u>	<u><u>(\$5,351)</u></u>	<u><u>\$1,336,173</u></u>



**Willoughby-Eastlake City School District**

*Combining Balance Sheet*

*Nonmajor Capital Projects Funds*

*June 30, 2005*

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,277,593	\$14	\$1,277,607
Taxes Receivable	<u>1,436,931</u>	<u>0</u>	<u>1,436,931</u>
<i>Total Assets</i>	<u><u>\$2,714,524</u></u>	<u><u>\$14</u></u>	<u><u>\$2,714,538</u></u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$301,119	\$0	\$301,119
Interfund Payable	40,000	0	40,000
Deferred Revenue	<u>1,225,175</u>	<u>0</u>	<u>1,225,175</u>
<i>Total Liabilities</i>	<u>1,566,294</u>	<u>0</u>	<u>1,566,294</u>
 <b>Fund Balances</b>			
Reserved for Encumbrances	200,664	0	200,664
Reserved for Property Taxes	158,292	0	158,292
Unreserved, Undesignated	<u>789,274</u>	<u>14</u>	<u>789,288</u>
<i>Total Fund Balances</i>	<u>1,148,230</u>	<u>14</u>	<u>1,148,244</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$2,714,524</u></u>	<u><u>\$14</u></u>	<u><u>\$2,714,538</u></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, 2005*

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Network Connectivity</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>				
Property Taxes	\$1,265,080	\$0	\$0	\$1,265,080
Intergovernmental	316,178	76,335	39,000	431,513
<i>Total Revenues</i>	1,581,258	76,335	39,000	1,696,593
<b>Expenditures</b>				
Capital Outlay	1,794,630	76,321	39,000	1,909,951
<i>Net Change in Fund Balances</i>	(213,372)	14	0	(213,358)
<i>Fund Balances Beginning of Year</i>	1,361,602	0	0	1,361,602
<i>Fund Balances End of Year</i>	<u>\$1,148,230</u>	<u>\$14</u>	<u>\$0</u>	<u>\$1,148,244</u>

## ***Combining Statements – Nonmajor Proprietary Funds***

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### ***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.

**Willoughby-Eastlake City School District**

*Combining Statement of Fund Net Assets*

*Nonmajor Enterprise Funds*

*June 30, 2005*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Special Services</u>
<b>Assets</b>			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$60,368	\$135,035	\$8,338
Accounts Receivable	726	0	0
Inventory Held for Resale	24,564	0	0
Materials and Supplies Inventory	1,896	0	0
<i>Total Current Assets</i>	87,554	135,035	8,338
<i>Noncurrent Assets</i>			
Depreciable Capital Assets, Net	65,278	0	0
<i>Total Assets</i>	152,832	135,035	8,338
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	135	269	102
Accrued Wages and Benefits	142,198	0	0
Intergovernmental Payable	114,228	0	0
Compensated Absences Payable	3,807	0	0
<i>Total Current Liabilities</i>	260,368	269	102
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	117,906	0	0
<i>Total Liabilities</i>	378,274	269	102
<b>Net Assets</b>			
Invested in Capital Assets	65,278	0	0
Unrestricted (Deficit)	(290,720)	134,766	8,236
<i>Total Net Assets (Deficit)</i>	(\$225,442)	\$134,766	\$8,236

Community Education	Latchkey/ Preschool	Total Nonmajor Enterprise Funds
\$16,648	\$147,038	\$367,427
0	0	726
0	0	24,564
0	0	1,896
16,648	147,038	394,613
0	0	65,278
16,648	147,038	459,891
0	255	761
440	46,164	188,802
126	52,691	167,045
0	9,181	12,988
566	108,291	369,596
0	12,437	130,343
566	120,728	499,939
0	0	65,278
16,082	26,310	(105,326)
<u>\$16,082</u>	<u>\$26,310</u>	<u>(\$40,048)</u>

**Willoughby-Eastlake City School District**

*Combining Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2005*

	Food Service	Uniform School Supplies	Special Services
<b>Operating Revenues</b>			
Tuition	\$0	\$0	\$0
Sales	1,542,351	296,051	0
Charges for Services	0	0	23,984
Miscellaneous	0	0	929
<i>Total Operating Revenues</i>	<u>1,542,351</u>	<u>296,051</u>	<u>24,913</u>
<b>Operating Expenses</b>			
Salaries	1,042,179	0	0
Fringe Benefits	343,880	0	0
Purchased Services	85,856	269	1,312
Materials and Supplies	250,186	351,006	24,014
Cost of Sales	643,303	0	0
Depreciation	7,316	0	0
<i>Total Operating Expenses</i>	<u>2,372,720</u>	<u>351,275</u>	<u>25,326</u>
<i>Operating Income (Loss)</i>	<u>(830,369)</u>	<u>(55,224)</u>	<u>(413)</u>
<b>Non-Operating Revenues</b>			
Donated Commodities	90,405	0	0
Interest	0	888	0
Operating Grants	636,608	0	0
<i>Total Non-Operating Revenues</i>	<u>727,013</u>	<u>888</u>	<u>0</u>
<i>Income (Loss) Before Transfers and Capital Contributions</i>	(103,356)	(54,336)	(413)
Transfers In	0	244,000	0
Transfers Out	0	0	0
Capital Contributions	6,902	0	0
<i>Change in Net Assets</i>	(96,454)	189,664	(413)
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(128,988)</u>	<u>(54,898)</u>	<u>8,649</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$225,442)</u></u>	<u><u>\$134,766</u></u>	<u><u>\$8,236</u></u>

Community Education	Latchkey/ Preschool	Total Nonmajor Enterprise Funds
\$4,100	\$548,841	\$552,941
0	0	1,838,402
0	0	23,984
0	11,626	12,555
<u>4,100</u>	<u>560,467</u>	<u>2,427,882</u>
7,934	339,924	1,390,037
1,099	95,141	440,120
0	1,849	89,286
0	30,416	655,622
0	0	643,303
0	0	7,316
<u>9,033</u>	<u>467,330</u>	<u>3,225,684</u>
<u>(4,933)</u>	<u>93,137</u>	<u>(797,802)</u>
0	0	90,405
0	0	888
3,915	0	640,523
<u>3,915</u>	<u>0</u>	<u>731,816</u>
(1,018)	93,137	(65,986)
0	0	244,000
0	(112,667)	(112,667)
0	0	6,902
<u>(1,018)</u>	<u>(19,530)</u>	<u>72,249</u>
<u>17,100</u>	<u>45,840</u>	<u>(112,297)</u>
<u>\$16,082</u>	<u>\$26,310</u>	<u>(\$40,048)</u>

**Willoughby-Eastlake City School District**

*Combining Statement of Cash Flows*

*Nonmajor Enterprise Funds*

*For the Fiscal Year Ended June 30, 2005*

	<u>Food Service</u>	<u>Uniform School Supplies</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$1,542,633	\$296,051
Cash Received from Tuition Payments	0	0
Cash Received from Other Operating Sources	0	0
Cash Payments to Suppliers for Goods and Services	(889,738)	(352,405)
Cash Payments to Employees for Services	(921,708)	0
Cash Payments for Employee Benefits	(316,171)	0
	<u>(584,984)</u>	<u>(56,354)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>		
	<u>(584,984)</u>	<u>(56,354)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Operating Grants Received	636,608	0
Transfers In	0	60,000
Transfers Out	0	0
Advances Out	(20,000)	0
	<u>616,608</u>	<u>60,000</u>
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>		
	<u>616,608</u>	<u>60,000</u>
<b>Cash Flows from Investing Activities</b>		
Interest on Investments	0	888
	<u>0</u>	<u>888</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	31,624	4,534
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>28,744</u>	<u>130,501</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$60,368</u></u>	<u><u>\$135,035</u></u>



Special Services	Community Education	Latchkey/Preschool	Total Nonmajor Enterprise Funds
\$23,984	\$0	\$0	\$1,862,668
0	4,100	548,841	552,941
929	0	11,626	12,555
(25,224)	0	(33,473)	(1,300,840)
0	(7,494)	(341,138)	(1,270,340)
0	(1,049)	(69,613)	(386,833)
<u>(311)</u>	<u>(4,443)</u>	<u>116,243</u>	<u>(529,849)</u>
0	3,915	0	640,523
0	0	0	60,000
0	0	(112,667)	(112,667)
0	0	0	(20,000)
<u>0</u>	<u>3,915</u>	<u>(112,667)</u>	<u>567,856</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>888</u>
(311)	(528)	3,576	38,895
<u>8,649</u>	<u>17,176</u>	<u>143,462</u>	<u>328,532</u>
<u>\$8,338</u>	<u>\$16,648</u>	<u>\$147,038</u>	<u>\$367,427</u>

(continued)

**Willoughby-Eastlake City School District**

*Combining Statement of Cash Flows*

*Nonmajor Enterprise Funds (continued)*

*For the Fiscal Year Ended June 30, 2005*

	<u>Food Service</u>	<u>Uniform School Supplies</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>		
<i>Operating Income (Loss)</i>	<u>(\$830,369)</u>	<u>(\$55,224)</u>
<i>Adjustments:</i>		
Donated Commodities Received During Year	90,405	0
Depreciation	7,316	0
(Increase) Decreases in Assets:		
Accounts Receivable	282	0
Inventory Held for Resale	(695)	0
Materials and Supplies Inventory	87	0
Increase (Decreases) in Liabilities:		
Accounts Payable	(190)	(1,130)
Accrued Wages and Benefits	120,471	0
Compensated Absences Payable	(29,512)	0
Intergovernmental Payable	<u>57,221</u>	<u>0</u>
<i>Total Adjustments</i>	<u>245,385</u>	<u>(1,130)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$584,984)</u></u>	<u><u>(\$56,354)</u></u>

**Noncash Capital Financing Activities**

Federal donated commodities in the amount of \$90,405 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 \$6,902.

Special Services	Community Education	Latchkey/ Preschool	Total Nonmajor Enterprise Funds
(\$413)	(\$4,933)	\$93,137	(\$797,802)
0	0	0	90,405
0	0	0	7,316
0	0	0	282
0	0	0	(695)
0	0	0	87
102	0	(1,208)	(2,426)
0	440	(1,214)	119,697
0	0	5,171	(24,341)
0	50	20,357	77,628
102	490	23,106	267,953
(\$311)	(\$4,443)	\$116,243	(\$529,849)

## 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, 2005*

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	Beginning Balance <u>June 30, 2004</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 2005</u>
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$194,702</u>	<u>\$375,805</u>	<u>\$383,296</u>	<u>\$187,211</u>
<b>Liabilities</b>				
Due to Students	<u>\$194,702</u>	<u>\$375,805</u>	<u>\$383,296</u>	<u>\$187,211</u>

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

**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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$48,979,171	\$49,427,280	\$50,564,453	\$1,137,173
Intergovernmental	21,771,487	21,965,092	21,847,703	(117,389)
Interest	366,419	369,772	378,279	8,507
Tuition and Fees	595,232	600,678	614,498	13,820
Charges for Services	401,437	377,565	393,347	15,782
Rentals	232,507	234,634	240,032	5,398
Miscellaneous	155,991	157,418	161,040	3,622
<i>Total Revenues</i>	<u>72,502,244</u>	<u>73,132,439</u>	<u>74,199,352</u>	<u>1,066,913</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	25,275,162	25,234,294	25,223,580	10,714
Fringe Benefits	8,268,003	8,808,250	8,787,024	21,226
Purchased Services	3,240,010	3,934,457	3,933,558	899
Materials and Supplies	385,056	357,829	357,550	279
Capital Outlay - New	5,000	5,000	3,939	1,061
Total Regular	<u>37,173,231</u>	<u>38,339,830</u>	<u>38,305,651</u>	<u>34,179</u>
Special:				
Salaries and Wages	5,650,110	5,531,129	5,520,654	10,475
Fringe Benefits	1,954,306	1,954,315	1,946,530	7,785
Purchased Services	22,593	22,623	22,210	413
Materials and Supplies	42,883	38,615	36,073	2,542
Other	5,000	5,000	4,551	449
Total Special	<u>7,674,892</u>	<u>7,551,682</u>	<u>7,530,018</u>	<u>21,664</u>
Vocational:				
Salaries and Wages	1,325,492	1,225,500	1,222,568	2,932
Fringe Benefits	502,694	502,697	499,375	3,322
Purchased Services	695,436	695,436	1,061	694,375
Materials and Supplies	42,348	44,183	38,709	5,474
Capital Outlay - New	3,827	3,827	0	3,827
Total Vocational	<u>2,569,797</u>	<u>2,471,643</u>	<u>1,761,713</u>	<u>709,930</u>
Total Instruction	<u>\$47,417,920</u>	<u>\$48,363,155</u>	<u>\$47,597,382</u>	<u>\$765,773</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Support Services:				
Pupil:				
Salaries and Wages	\$2,593,523	\$2,583,543	\$2,579,675	\$3,868
Fringe Benefits	913,864	914,119	908,355	5,764
Purchased Services	169,402	576,345	575,561	784
Materials and Supplies	52,413	48,944	47,029	1,915
Total Pupil	<u>3,729,202</u>	<u>4,122,951</u>	<u>4,110,620</u>	<u>12,331</u>
Instructional Staff:				
Salaries and Wages	1,800,224	1,640,239	1,633,165	7,074
Fringe Benefits	622,499	623,095	620,326	2,769
Purchased Services	100,618	112,362	111,665	697
Materials and Supplies	48,984	52,728	50,955	1,773
Total Instructional Staff	<u>2,572,325</u>	<u>2,428,424</u>	<u>2,416,111</u>	<u>12,313</u>
Board of Education:				
Salaries and Wages	3,156	3,158	2,550	608
Fringe Benefits	1,076	1,076	1,058	18
Purchased Services	121,627	155,431	155,317	114
Materials and Supplies	100	100	19	81
Other	104,041	111,042	108,451	2,591
Total Board of Education	<u>230,000</u>	<u>270,807</u>	<u>267,395</u>	<u>3,412</u>
Administration:				
Salaries and Wages	3,334,539	3,044,568	3,035,159	9,409
Fringe Benefits	1,181,837	1,181,843	1,179,805	2,038
Purchased Services	195,760	200,269	200,145	124
Materials and Supplies	49,765	56,143	46,366	9,777
Other	23,157	26,374	25,348	1,026
Total Administration	<u>4,785,058</u>	<u>4,509,197</u>	<u>4,486,823</u>	<u>22,374</u>
Fiscal:				
Salaries and Wages	500,881	420,883	414,267	6,616
Fringe Benefits	172,168	172,169	171,252	917
Purchased Services	79,873	80,601	79,947	654
Materials and Supplies	31,876	31,911	31,376	535
Other	868,390	837,767	822,022	15,745
Total Fiscal	<u>\$1,653,188</u>	<u>\$1,543,331</u>	<u>\$1,518,864</u>	<u>\$24,467</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Business:</b>				
Salaries and Wages	\$175,244	\$148,748	\$141,203	\$7,545
Fringe Benefits	52,089	50,721	49,646	1,075
Purchased Services	80,758	79,667	78,207	1,460
Materials and Supplies	102,924	122,920	74,885	48,035
Other	2,367	2,407	2,154	253
<b>Total Business</b>	<b>413,382</b>	<b>404,463</b>	<b>346,095</b>	<b>58,368</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	2,798,511	2,637,643	2,633,793	3,850
Fringe Benefits	965,277	965,278	964,815	463
Purchased Services	1,611,126	1,992,337	1,992,232	105
Materials and Supplies	226,167	232,121	227,158	4,963
<b>Total Operation and Maintenance of Plant</b>	<b>5,601,081</b>	<b>5,827,379</b>	<b>5,817,998</b>	<b>9,381</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	2,554,013	2,390,693	2,375,744	14,949
Fringe Benefits	878,989	877,424	875,606	1,818
Purchased Services	989,510	1,177,321	1,177,198	123
Materials and Supplies	340,349	343,405	336,957	6,448
Capital Outlay - Replacement	70,300	70,300	70,220	80
<b>Total Pupil Transportation</b>	<b>4,833,161</b>	<b>4,859,143</b>	<b>4,835,725</b>	<b>23,418</b>
<b>Central:</b>				
Salaries and Wages	628,995	583,999	565,170	18,829
Fringe Benefits	204,750	204,754	202,938	1,816
Purchased Services	73,833	103,667	103,220	447
Materials and Supplies	42,948	45,095	29,944	15,151
Capital Outlay - New	23,973	15,032	1,750	13,282
<b>Total Central</b>	<b>974,499</b>	<b>952,547</b>	<b>903,022</b>	<b>49,525</b>
<b>Total Support Services</b>	<b>24,791,896</b>	<b>24,918,242</b>	<b>24,702,653</b>	<b>215,589</b>
<b>Operation of Non-Instructional Services</b>				
<b>Community Services:</b>				
Other	\$1,378	\$1,378	\$0	\$1,378

(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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Extracurricular Activities:				
Salaries and Wages	\$921,424	\$881,433	\$831,017	\$50,416
Fringe Benefits	\$50,000	\$97,000	\$96,827	\$173
<b>Total Extracurricular Activities</b>	<b>971,424</b>	<b>978,433</b>	<b>927,844</b>	<b>50,589</b>
Capital Outlay:				
Building Acquisition and Construction Services:				
Other	41,026	41,026	36,668	4,358
<b>Total Expenditures</b>	<b>73,223,644</b>	<b>74,302,234</b>	<b>73,264,547</b>	<b>1,037,687</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(721,400)</u>	<u>(1,169,795)</u>	<u>934,805</u>	<u>2,104,600</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	163,987	172,753	195,000	22,247
Advances Out	(75,125)	(208,674)	(74,250)	134,424
Transfers Out	(490,599)	(490,599)	(259,395)	231,204
<b>Total Other Financing Sources (Uses)</b>	<b>(401,737)</b>	<b>(526,520)</b>	<b>(138,645)</b>	<b>387,875</b>
<b>Net Change in Fund Balance</b>	<b>(1,123,137)</b>	<b>(1,696,315)</b>	<b>796,160</b>	<b>2,492,475</b>
<b>Fund Balance Beginning of Year</b>	<b>2,152,597</b>	<b>2,152,597</b>	<b>2,152,597</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>1,073,018</b>	<b>1,073,018</b>	<b>1,073,018</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$2,102,478</b>	<b>\$1,529,300</b>	<b>\$4,021,775</b>	<b>\$2,492,475</b>

**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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$5,478	\$2,082	\$2,198	\$116
Extracurricular Activities	23,678	8,998	9,500	502
Contributions and Donations	10,094	3,836	4,050	214
Rentals	31,912	12,125	12,803	678
Miscellaneous	3,838	1,459	1,540	81
<i>Total Revenues</i>	<u>75,000</u>	<u>28,500</u>	<u>30,091</u>	<u>1,591</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	11,538	522	522	0
Capital Outlay - New	3,102	1,000	1,000	0
Total Instruction	<u>14,640</u>	<u>1,522</u>	<u>1,522</u>	<u>0</u>
Support Services:				
Pupil:				
Purchased Services	8,076	1,573	1,573	0
Instructional Staff:				
Purchased Services	1,500	916	916	0
Materials and Supplies	57,620	17,001	16,600	401
Total Instructional Staff	<u>59,120</u>	<u>17,917</u>	<u>17,516</u>	<u>401</u>
Total Support Services	<u>67,196</u>	<u>19,490</u>	<u>19,089</u>	<u>401</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	15,765	12,678	12,619	59
Materials and Supplies	1,000	479	479	0
Other	3,013	1,500	1,500	0
Total Operation of Non-Instructional Services	<u>\$19,778</u>	<u>\$14,657</u>	<u>\$14,598</u>	<u>\$59</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, 2005*

	<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	\$1,000	\$185	\$185	\$0
Materials and Supplies	5,188	1,715	1,715	0
Total Extracurricular Activities	6,188	1,900	1,900	0
<i>Total Expenditures</i>	107,802	37,569	37,109	460
<i>Excess of Revenues Under Expenditures</i>	(32,802)	(9,069)	(7,018)	2,051
<b>Other Financing Uses</b>				
Transfers Out	(1,166)	(1,166)	(1,166)	\$0
<i>Net Change in Fund Balance</i>	(33,968)	(10,235)	(8,184)	2,051
<i>Fund Balance Beginning of Year</i>	125,450	125,450	125,450	0
Prior Year Encumbrances Appropriated	8,968	8,968	8,968	0
<i>Fund Balance End of Year</i>	<u>\$100,450</u>	<u>\$124,183</u>	<u>\$126,234</u>	<u>\$2,051</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Extracurricular Activities	\$293,549	\$278,068	\$278,605	\$537
Contributions and Donations	194,481	184,212	184,568	356
Miscellaneous	17,005	16,107	16,138	31
<i>Total Revenues</i>	<u>505,035</u>	<u>478,387</u>	<u>479,311</u>	<u>924</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	91,535	103,977	78,336	25,641
Capital Outlay - New	37,839	38,839	38,015	824
Total Instruction	<u>129,374</u>	<u>142,816</u>	<u>116,351</u>	<u>26,465</u>
Support Services:				
Pupil:				
Materials and Supplies	141,715	142,929	135,845	7,084
Instructional Staff:				
Materials and Supplies	10,332	10,332	9,819	513
Administration:				
Materials and Supplies	26,000	28,000	27,982	18
Capital Outlay - New	1,000	1,000	971	29
Total Administration	<u>27,000</u>	<u>29,000</u>	<u>28,953</u>	<u>47</u>
Operation and Maintenance of Plant:				
Purchased Services	7,378	8,911	4,759	4,152
Materials and Supplies	7,641	11,141	10,576	565
Total Operation and Maintenance of Plant	<u>15,019</u>	<u>20,052</u>	<u>15,335</u>	<u>4,717</u>
Total Support Services	<u>\$194,066</u>	<u>\$202,313</u>	<u>\$189,952</u>	<u>\$12,361</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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Co-Curricular Activities:				
Purchased Services	\$126,836	\$120,600	\$120,037	\$563
Materials and Supplies	110,297	107,185	105,785	1,400
Capital Outlay - New	56,896	72,080	71,519	561
Other	43,874	43,675	38,995	4,680
Total Extracurricular Activities	337,903	343,540	336,336	7,204
<i>Total Expenditures</i>	661,343	688,669	642,639	46,030
<i>Excess of Revenues Under Expenditures</i>	(156,308)	(210,282)	(163,328)	46,954
<b>Other Financing Sources</b>				
Transfers In	119,966	113,613	113,833	220
<i>Net Change in Fund Balance</i>	(36,342)	(96,669)	(49,495)	47,174
<i>Fund Balance Beginning of Year</i>	152,700	152,700	152,700	0
Prior Year Encumbrances Appropriated	61,343	61,343	61,343	0
<i>Fund Balance End of Year</i>	\$177,701	\$117,374	\$164,548	\$47,174

**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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Extracurricular Activities	\$655,580	\$363,743	\$370,902	\$7,159
Contributions and Donations	209,598	120,939	123,319	2,380
Miscellaneous	60,922	35,152	35,844	692
<i>Total Revenues</i>	<u>926,100</u>	<u>519,834</u>	<u>530,065</u>	<u>10,231</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	71,029	60,579	60,344	235
Pupil Transportation:				
Purchased Services	23,032	16,831	16,706	125
<b>Total Support Services</b>	<u>94,061</u>	<u>77,410</u>	<u>77,050</u>	<u>360</u>
Extracurricular Activities:				
Subject Oriented Activities				
Salaries and Wages	39,631	24,631	24,350	281
Fringe Benefits	2,138	138	0	138
Purchased Services	289,395	235,976	234,826	1,150
Materials and Supplies	713,011	270,748	270,671	77
Capital Outlay - New	1,000	1,000	786	214
Other	101,521	100,442	98,888	1,554
<b>Total Subject Oriented Activities</b>	<u>1,146,696</u>	<u>632,935</u>	<u>629,521</u>	<u>3,414</u>
Co-Curricular Activities:				
Purchased Services	50,455	30,849	27,175	3,674
Materials and Supplies	2,738	1,238	1,213	25
Capital Outlay - New	247	247	0	247
Other	3,135	2,894	2,124	770
<b>Total Co-Curricular Activities</b>	<u>\$56,575</u>	<u>\$35,228</u>	<u>\$30,512</u>	<u>\$4,716</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, 2005*

	<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>\$1,203,271</u>	<u>\$668,163</u>	<u>\$660,033</u>	<u>\$8,130</u>
<i>Total Expenditures</i>	<u>1,297,332</u>	<u>745,573</u>	<u>737,083</u>	<u>8,490</u>
<i>Excess of Revenues Under Expenditures</i>	(371,232)	(225,739)	(207,018)	18,721
<b>Other Financing Sources</b>				
Transfers In	<u>338,900</u>	<u>195,547</u>	<u>199,395</u>	<u>3,848</u>
<i>Net Change in Fund Balance</i>	(32,332)	(30,192)	(7,623)	22,569
<i>Fund Balance Beginning of Year</i>	44,377	44,377	44,377	0
Prior Year Encumbrances Appropriated	<u>17,332</u>	<u>17,332</u>	<u>17,332</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$29,377</u></u>	<u><u>\$31,517</u></u>	<u><u>\$54,086</u></u>	<u><u>\$22,569</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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$591,780	\$663,902	\$663,900	(\$2)
Interest	3,220	3,708	3,708	0
<i>Total Revenues</i>	<u>595,000</u>	<u>667,610</u>	<u>667,608</u>	<u>(2)</u>
<b>Expenditures</b>				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	30,956	26,956	26,813	143
Fringe Benefits	8,736	8,736	8,736	0
Purchased Services	315,985	384,350	383,149	1,201
Materials and Supplies	248,016	349,072	346,223	2,849
Capital Outlay - New	9,352	14,852	14,751	101
<i>Total Expenditures</i>	<u>613,045</u>	<u>783,966</u>	<u>779,672</u>	<u>4,294</u>
<i>Net Change in Fund Balance</i>	(18,045)	(116,356)	(112,064)	4,292
<i>Fund Balance Beginning of Year</i>	78,311	78,311	78,311	0
Prior Year Encumbrances Appropriated	38,045	38,045	38,045	0
<i>Fund Balance End of Year</i>	<u>\$98,311</u>	<u>\$0</u>	<u>\$4,292</u>	<u>\$4,292</u>



**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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$113,542	\$152,692	\$156,865	\$4,173
Tuition and Fees	240,959	324,044	332,900	8,856
Charges for Services	4,837	6,505	6,683	178
Miscellaneous	6,662	8,959	9,204	245
<i>Total Revenues</i>	<u>366,000</u>	<u>492,200</u>	<u>505,652</u>	<u>13,452</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	180,000	200,000	179,268	20,732
Fringe Benefits	25,100	32,000	25,098	6,902
Purchased Services	7,500	10,300	7,084	3,216
Materials and Supplies	14,284	18,034	14,570	3,464
Other	5,000	7,000	4,796	2,204
Total Instruction	<u>231,884</u>	<u>267,334</u>	<u>230,816</u>	<u>36,518</u>
Support Services:				
Administration:				
Salaries and Wages	103,000	110,000	102,789	7,211
Fringe Benefits	14,500	20,000	14,390	5,610
Purchased Services	100	1,000	21	979
Materials and Supplies	1,200	2,500	1,037	1,463
Total Support Services	<u>118,800</u>	<u>133,500</u>	<u>118,237</u>	<u>15,263</u>
<i>Total Expenditures</i>	<u>350,684</u>	<u>400,834</u>	<u>349,053</u>	<u>51,781</u>
<i>Net Change in Fund Balance</i>	15,316	91,366	156,599	65,233
<i>Fund Balance Beginning of Year</i>	363,326	363,326	363,326	0
Prior Year Encumbrances Appropriated	<u>684</u>	<u>684</u>	<u>684</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$379,326</u></u>	<u><u>\$455,376</u></u>	<u><u>\$520,609</u></u>	<u><u>\$65,233</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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$26,100	\$28,165	\$28,165	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	38,000	47,187	41,287	5,900
<i>Excess of Revenues Under Expenditures</i>	(11,900)	(19,022)	(13,122)	5,900
<b>Other Financing Sources</b>				
Advances In	5,900	5,900	5,900	0
<i>Net Change in Fund Balance</i>	(6,000)	(13,122)	(7,222)	5,900
<i>Fund Balance Beginning of Year</i>	13,122	13,122	13,122	0
<i>Fund Balance End of Year</i>	<u>\$7,122</u>	<u>\$0</u>	<u>\$5,900</u>	<u>\$5,900</u>

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$46,400	\$50,800	\$50,761	(\$39)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	22,034	22,034	20,011	2,023
Fringe Benefits	3,731	3,731	3,147	584
Total Instruction	25,765	25,765	23,158	2,607
Support Services:				
Pupil:				
Salaries and Wages	1,515	1,515	1,515	0
Fringe Benefits	227	245	212	33
Materials and Supplies	424	5,424	5,291	133
Total Pupil	2,166	7,184	7,018	166
Instructional Staff:				
Salaries and Wages	17,345	17,630	17,235	395
Fringe Benefits	3,724	3,510	2,663	847
Total Instructional Staff	21,069	21,140	19,898	1,242
Total Support Services	23,235	28,324	26,916	1,408
<i>Total Expenditures</i>	49,000	54,089	50,074	4,015
<i>Net Change in Fund Balance</i>	(2,600)	(3,289)	687	3,976
<i>Fund Balance Beginning of Year</i>	4,095	4,095	4,095	0
<i>Fund Balance End of Year</i>	\$1,495	\$806	\$4,782	\$3,976

**Willoughby-Eastlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Entry Year Program Fund*  
*For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$15,400	\$15,400	\$15,400	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	15,400	15,400	15,400	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>	<u>\$0</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*  
*School Net Professional Development Fund*  
*For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$6,750	\$6,750	\$6,750	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,532	902	0	902
Support Services:				
Instructional Staff:				
Purchased Services	2,098	2,098	2,098	0
<i>Total Expenditures</i>	9,630	3,000	2,098	902
<i>Net Change in Fund Balance</i>	(2,880)	3,750	4,652	902
<i>Fund Balance Beginning of Year</i>	4,526	4,526	4,526	0
<i>Fund Balance End of Year</i>	\$1,646	\$8,276	\$9,178	\$902

**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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$86,400	\$40,679	\$39,277	(\$1,402)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	27,373	15,873	15,791	82
Purchased Services	3,680	1,751	1,680	71
Materials and Supplies	31,762	23,633	23,511	122
Capital Outlay - New	6,600	3,600	3,600	0
Total Instruction	69,415	44,857	44,582	275
Support Services:				
Instructional Staff:				
Materials and Supplies	11,145	4,507	4,499	8
<i>Total Expenditures</i>	<u>80,560</u>	<u>49,364</u>	<u>49,081</u>	<u>283</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	5,840	(8,685)	(9,804)	(1,119)
<b>Other Financing Sources</b>				
Advances In	3,600	3,600	3,600	0
<i>Net Change in Fund Balance</i>	9,440	(5,085)	(6,204)	(1,119)
<i>Fund Balance Beginning of Year</i>	665	665	665	0
Prior Year Encumbrances Appropriated	5,560	5,560	5,560	0
<i>Fund Balance End of Year</i>	<u>\$15,665</u>	<u>\$1,140</u>	<u>\$21</u>	<u>(\$1,119)</u>

**Willoughby-Eastlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Student Intervention Fund*  
*For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$140,000	\$157,876	\$157,876	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	96,559	134,125	134,105	20
Fringe Benefits	12,041	21,241	21,235	6
Materials and Supplies	18,707	18,724	18,710	14
<i>Total Expenditures</i>	127,307	174,090	174,050	40
<i>Excess of Revenues Over (Under) Expenditures</i>	12,693	(16,214)	(16,174)	40
<b>Other Financing Uses</b>				
Advances Out	0	(30,000)	(30,000)	0
<i>Net Change in Fund Balance</i>	12,693	(46,214)	(46,174)	40
<i>Fund Balance Beginning of Year</i>	28,907	28,907	28,907	0
Prior Year Encumbrances Appropriated	17,307	17,307	17,307	0
<i>Fund Balance End of Year</i>	\$58,907	\$0	\$40	\$40

**Willoughby-Eastlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Career Education Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$25,400	\$48,763	\$48,362	(\$401)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	8,776	11,778	11,777	1
Support Services:				
Pupil:				
Salaries and Wages	11,930	20,131	20,131	0
Fringe Benefits	1,251	5,251	5,251	0
Purchased Services	7,028	8,958	8,958	0
Materials and Supplies	3,219	6,668	6,668	0
Total Support Services	23,428	41,008	41,008	0
<i>Total Expenditures</i>	32,204	52,786	52,785	1
<i>Excess of Revenues Under Expenditures</i>	(6,804)	(4,023)	(4,423)	(400)
<b>Other Financing Sources (Uses)</b>				
Advances In	2,100	2,100	2,100	0
Advances Out	0	(5,000)	(5,000)	0
<i>Total Other Financing Sources (Uses)</i>	2,100	(2,900)	(2,900)	0
<i>Net Change in Fund Balance</i>	(4,704)	(6,923)	(7,323)	(400)
<i>Fund Balance Beginning of Year</i>	620	620	620	0
Prior Year Encumbrances Appropriated	6,704	6,704	6,704	0
<i>Fund Balance End of Year</i>	<u>\$2,620</u>	<u>\$401</u>	<u>\$1</u>	<u>(\$400)</u>



**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$9,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	8,000	2,322	2,322	0
Materials and Supplies	2,000	1,000	1,000	0
<i>Total Expenditures</i>	10,000	3,322	3,322	0
<i>Net Change in Fund Balance</i>	(1,000)	(3,322)	(3,322)	0
<i>Fund Balance Beginning of Year</i>	3,322	3,322	3,322	0
<i>Fund Balance End of Year</i>	\$2,322	\$0	\$0	\$0

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$81,300	\$85,559	\$83,659	(\$1,900)
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	39,991	40,262	39,704	558
Fringe Benefits	6,884	6,592	6,267	325
Materials and Supplies	6,742	6,842	6,802	40
Capital Outlay - New	1,825	1,825	1,785	40
Total Instruction	55,442	55,521	54,558	963
Support Services:				
Instructional Staff:				
Salaries and Wages	25,061	29,023	28,860	163
Fringe Benefits	5,178	4,878	4,659	219
Purchased Services	3,044	4,129	4,025	104
Materials and Supplies	3,775	3,275	3,260	15
Total Support Services	37,058	41,305	40,804	501
<i>Total Expenditures</i>	92,500	96,826	95,362	1,464
<i>Excess of Revenues Under Expenditures</i>	(11,200)	(11,267)	(11,703)	(436)
<b>Other Financing Sources</b>				
Advances In	2,100	2,100	2,100	0
<i>Net Change in Fund Balance</i>	(9,100)	(9,167)	(9,603)	(436)
<i>Fund Balance Beginning of Year</i>	9,660	9,660	9,660	0
<i>Fund Balance End of Year</i>	\$560	\$493	\$57	(\$436)

**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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$229,019	\$190,285	\$190,228	(\$57)
Extracurricular Activities	981	815	815	0
<i>Total Revenues</i>	<u>230,000</u>	<u>191,100</u>	<u>191,043</u>	<u>(57)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	38,365	45,365	32,067	13,298
Fringe Benefits	6,810	8,310	4,810	3,500
Total Vocational	<u>45,175</u>	<u>53,675</u>	<u>36,877</u>	<u>16,798</u>
Adult/Continuing:				
Purchased Services	2,019	4,519	1,019	3,500
Materials and Supplies	9,704	12,204	7,703	4,501
Total Adult/Continuing	<u>11,723</u>	<u>16,723</u>	<u>8,722</u>	<u>8,001</u>
Total Instruction	<u>56,898</u>	<u>70,398</u>	<u>45,599</u>	<u>24,799</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	18,222	21,222	14,807	6,415
Fringe Benefits	6,465	8,465	2,726	5,739
Purchased Services	83,876	87,876	78,179	9,697
Materials and Supplies	9,539	12,039	7,299	4,740
Total Support Services	<u>118,102</u>	<u>129,602</u>	<u>103,011</u>	<u>26,591</u>
<i>Total Expenditures</i>	<u>175,000</u>	<u>200,000</u>	<u>148,610</u>	<u>51,390</u>
<i>Net Change in Fund Balance</i>	55,000	(8,900)	42,433	51,333
<i>Fund Balance Beginning of Year</i>	<u>137,163</u>	<u>137,163</u>	<u>137,163</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$192,163</u></u>	<u><u>\$128,263</u></u>	<u><u>\$179,596</u></u>	<u><u>\$51,333</u></u>

**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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$1,161,000	\$1,867,595	\$1,867,432	(\$163)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	75,940	160,940	159,608	1,332
Fringe Benefits	37,935	55,935	55,895	40
Purchased Services	143,094	177,688	165,217	12,471
Materials and Supplies	34,005	57,297	48,623	8,674
Capital Outlay - New	3,254	5,254	5,146	108
Total Instruction	294,228	457,114	434,489	22,625
Support Services:				
Pupil:				
Salaries and Wages	248,865	309,566	307,365	2,201
Fringe Benefits	41,025	88,025	87,204	821
Purchased Services	145,809	250,401	225,403	24,998
Materials and Supplies	10,000	21,993	20,439	1,554
Capital Outlay - New	3,354	6,908	5,354	1,554
Total Pupil	449,053	676,893	645,765	31,128
Instructional Staff:				
Salaries and Wages	302,791	401,656	400,762	894
Fringe Benefits	99,328	142,328	141,019	1,309
Purchased Services	1,000	3,381	2,986	395
Materials and Supplies	250	500	478	22
Total Instructional Staff	403,369	547,865	545,245	2,620
Administration:				
Purchased Services	2,000	3,050	3,025	25
Pupil Transportation:				
Purchased Services	25,000	75,000	75,000	0
Total Support Services	\$879,422	\$1,302,808	\$1,269,035	\$33,773

(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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$21,172	\$56,172	\$56,172	\$0
Materials and Supplies	676	1,838	1,438	400
Total Operation of Non-Instructional Services	21,848	58,010	57,610	400
<i>Total Expenditures</i>	1,195,498	1,817,932	1,761,134	56,798
<i>Excess of Revenues Over (Under) Expenditures</i>	(34,498)	49,663	106,298	56,635
<b>Other Financing Uses</b>				
Advances Out	0	(100,000)	(100,000)	0
<i>Net Change in Fund Balance</i>	(34,498)	(50,337)	6,298	56,635
<i>Fund Balance Beginning of Year</i>	4,839	4,839	4,839	0
Prior Year Encumbrances Appropriated	45,498	45,498	45,498	0
<i>Fund Balance End of Year</i>	\$15,839	\$0	\$56,635	\$56,635

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$155,000	\$145,000	\$141,950	(\$3,050)
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Purchased Services	1,500	3,500	2,132	1,368
Support Services:				
Pupil:				
Salaries and Wages	101,394	101,394	86,983	14,411
Fringe Benefits	12,106	14,096	11,304	2,792
Total Pupil	113,500	115,490	98,287	17,203
Instructional Staff:				
Purchased Services	0	5,510	4,140	1,370
Pupil Transportation:				
Purchased Services	0	500	376	124
Total Support Services	113,500	121,500	102,803	18,697
<i>Total Expenditures</i>	115,000	125,000	104,935	20,065
<i>Net Change in Fund Balance</i>	40,000	20,000	37,015	17,015
<i>Fund Balance Beginning of Year</i>	50,050	50,050	50,050	0
<i>Fund Balance End of Year</i>	\$90,050	\$70,050	\$87,065	\$17,015

**Willoughby-Eastlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$68,490	\$71,625	\$71,621	(\$4)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	40,785	44,233	43,317	916
Fringe Benefits	6,705	6,705	6,210	495
Materials and Supplies	1,000	1,000	910	90
<i>Total Expenditures</i>	48,490	51,938	50,437	1,501
<i>Excess of Revenues Over Expenditures</i>	20,000	19,687	21,184	1,497
<b>Other Financing Uses</b>				
Advances Out	(20,000)	(20,000)	(20,000)	0
<i>Net Change in Fund Balance</i>	0	(313)	1,184	1,497
<i>Fund Balance Beginning of Year</i>	314	314	314	0
<i>Fund Balance End of Year</i>	\$314	\$1	\$1,498	\$1,497

**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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$893,000	\$783,715	\$882,707	\$98,992
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	513,331	503,233	489,510	13,723
Fringe Benefits	171,260	121,260	117,305	3,955
Purchased Services	2,580	2,580	0	2,580
Materials and Supplies	18,648	19,786	13,836	5,950
Capital Outlay - New	1,000	1,000	707	293
Total Instruction	706,819	647,859	621,358	26,501
Support Services:				
Instructional Staff:				
Salaries and Wages	97,338	97,338	87,220	10,118
Fringe Benefits	23,216	23,216	19,718	3,498
Purchased Services	16,089	9,089	8,364	725
Materials and Supplies	18,214	10,250	6,723	3,527
Total Instructional Staff	154,857	139,893	122,025	17,868
Administration:				
Salaries and Wages	17,621	17,621	13,884	3,737
Fringe Benefits	6,815	6,815	5,933	882
Purchased Services	5,489	5,489	2,087	3,402
Materials and Supplies	5,621	5,687	2,845	2,842
Total Administration	35,546	35,612	24,749	10,863
Total Support Services	190,403	175,505	146,774	28,731
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	68,429	43,429	32,675	10,754
Fringe Benefits	6,212	6,212	3,837	2,375
Total Operation of Non-Instructional Services	74,641	49,641	36,512	13,129
<b>Total Expenditures</b>	\$971,863	\$873,005	\$804,644	\$68,361

(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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Net Change in Fund Balance</i>	(\$78,863)	(\$89,290)	\$78,063	\$167,353
<i>Fund Balance Beginning of Year</i>	85,430	85,430	85,430	0
<i>Prior Year Encumbrances Appropriated</i>	3,863	3,863	3,863	0
<i>Fund Balance End of Year</i>	\$10,430	\$3	\$167,356	\$167,353

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$51,000	\$48,631	\$45,383	(\$3,248)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	5,160	3,259	3,235	24
Materials and Supplies	41,655	43,313	33,351	9,962
Total Instruction	46,815	46,572	36,586	9,986
Support Services:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,958	984	960	24
Capital Outlay - New	2,185	1,465	1,374	91
Total Support Services	4,143	2,449	2,334	115
<i>Total Expenditures</i>	50,958	49,021	38,920	10,101
<i>Excess of Revenues Over (Under) Expenditures</i>	42	(390)	6,463	6,853
<b>Other Financing Uses</b>				
Advances Out	(5,000)	(5,000)	(5,000)	0
<i>Net Change in Fund Balance</i>	(4,958)	(5,390)	1,463	6,853
<i>Fund Balance Beginning of Year</i>	433	433	433	0
Prior Year Encumbrances Appropriated	4,958	4,958	4,958	0
<i>Fund Balance End of Year</i>	\$433	\$1	\$6,854	\$6,853

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$7,250	\$35,474	\$35,124	(\$350)
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	7,362	17,368	17,368	0
Purchased Services	9,286	26,073	25,904	169
Materials and Supplies	100	3,150	3,061	89
Total Support Services	16,748	46,591	46,333	258
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,452	1,452	1,331	121
<i>Total Expenditures</i>	18,200	48,043	47,664	379
<i>Excess of Revenues Under Expenditures</i>	(10,950)	(12,569)	(12,540)	29
<b>Other Financing Sources</b>				
Advances In	10,950	10,950	10,950	0
<i>Net Change in Fund Balance</i>	0	(1,619)	(1,590)	29
<i>Fund Balance Beginning of Year</i>	1,619	1,619	1,619	0
<i>Fund Balance End of Year</i>	\$1,619	\$0	\$29	\$29

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$42,000	\$55,951	\$55,951	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	39,364	51,102	50,602	500
Fringe Benefits	0	10	5	5
Materials and Supplies	3,237	3,946	3,231	715
Total Instruction	42,601	55,058	53,838	1,220
Support Services:				
Instructional Staff:				
Salaries and Wages	5,130	5,130	5,130	0
Total Expenditures	47,731	60,188	58,968	1,220
Excess of Revenues Under Expenditures	(5,731)	(4,237)	(3,017)	1,220
<b>Other Financing Sources (Uses)</b>				
Advances In	5,000	5,000	5,000	0
Advances Out	3,000	(5,000)	(5,000)	0
Total Other Financing Sources (Uses)	8,000	0	0	0
Net Change in Fund Balance	2,269	(4,237)	(3,017)	1,220
Fund Balance Beginning of Year	2,506	2,506	2,506	0
Prior Year Encumbrances Appropriated	1,731	1,731	1,731	0
Fund Balance End of Year	\$6,506	\$0	\$1,220	\$1,220

**Willoughby-Eastlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Class Size Reduction Fund*  
*For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$270,400	\$272,678	\$272,278	(\$400)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	226,652	248,229	247,878	351
Fringe Benefits	56,348	76,091	76,039	52
Total Instruction	283,000	324,320	323,917	403
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,000	2,000	2,000	0
Total Expenditures	285,000	326,320	325,917	403
Excess of Revenues Under Expenditures	(14,600)	(53,642)	(53,639)	3
<b>Other Financing Sources</b>				
Advances In	4,600	4,600	4,600	0
Net Change in Fund Balance	(10,000)	(49,042)	(49,039)	3
Fund Balance Beginning of Year	49,042	49,042	49,042	0
Fund Balance End of Year	\$39,042	\$0	\$3	\$3

**Willoughby-Eastlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Retired Senior Volunteers Fund*  
*For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$81,007	\$89,060	\$89,065	\$5
Intergovernmental	48,826	53,680	53,683	3
Contributions and Donations	4,951	5,443	5,443	0
<i>Total Revenues</i>	134,784	148,183	148,191	8
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	81,087	83,346	81,574	1,772
Fringe Benefits	20,000	30,000	27,181	2,819
Purchased Services	10,962	13,924	12,251	1,673
Materials and Supplies	10,902	16,804	14,628	2,176
Capital Outlay - New	1,000	2,000	1,190	810
Other	2,696	4,000	3,530	470
<i>Total Expenditures</i>	126,647	150,074	140,354	9,720
<i>Net Change in Fund Balance</i>	8,137	(1,891)	7,837	9,728
<i>Fund Balance Beginning of Year</i>	109,891	109,891	109,891	0
Prior Year Encumbrances Appropriated	1,864	1,864	1,864	0
<i>Fund Balance End of Year</i>	\$119,892	\$109,864	\$119,592	\$9,728

**Willoughby-Eastlake City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous Federal Grants*  
*For the Fiscal Year Ended June 30, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$23,325	\$42,892	\$42,892	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	977	20,633	20,633	0
Capital Outlay - New	7,300	15,878	11,475	4,403
Total Regular	8,277	36,511	32,108	4,403
Support Services:				
Pupil:				
Purchased Services	300	600	300	300
Other	839	1,737	898	839
Total Pupil	1,139	2,337	1,198	1,139
Instructional Staff:				
Purchased Services	0	230	230	0
Materials and Supplies	0	129	129	0
Total Instructional Staff	0	359	359	0
Total Support Services	1,139	2,696	1,557	1,139
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	3,100	3,054	46
<i>Total Expenditures</i>	9,416	42,307	36,719	5,588
<i>Excess of Revenues Over Expenditures</i>	13,909	585	6,173	5,588
<b>Other Financing Uses</b>				
Advances Out	0	(10,000)	(10,000)	0
<i>Net Change in Fund Balance</i>	13,909	(9,415)	(3,827)	5,588
<i>Fund Balance Beginning of Year</i>	976	976	976	0
Prior Year Encumbrances Appropriated	8,439	8,439	8,439	0
<i>Fund Balance End of Year</i>	\$23,324	\$0	\$5,588	\$5,588

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$364,222	\$364,222	\$343,809	(\$20,413)
Intergovernmental	67,128	67,128	63,366	(3,762)
<i>Total Revenues</i>	<u>431,350</u>	<u>431,350</u>	<u>407,175</u>	<u>(24,175)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Board of Education:				
Other	0	450	450	0
Fiscal:				
Other	<u>0</u>	<u>3,228</u>	<u>3,228</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>3,678</u>	<u>3,678</u>	<u>0</u>
Debt Service:				
Principal Retirement	245,000	245,000	245,000	0
Interest and Fiscal Charges	<u>90,000</u>	<u>87,987</u>	<u>87,987</u>	<u>0</u>
Total Debt Service	<u>335,000</u>	<u>332,987</u>	<u>332,987</u>	<u>0</u>
<i>Total Expenditures</i>	<u>335,000</u>	<u>336,665</u>	<u>336,665</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	96,350	94,685	70,510	(24,175)
<i>Fund Balance Beginning of Year</i>	<u>341,346</u>	<u>341,346</u>	<u>341,346</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$437,696</u></u>	<u><u>\$436,031</u></u>	<u><u>\$411,856</u></u>	<u><u>(\$24,175)</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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$1,034,436	\$1,119,965	\$1,200,849	\$80,884
Intergovernmental	272,362	294,881	316,178	21,297
<i>Total Revenues</i>	<u>1,306,798</u>	<u>1,414,846</u>	<u>1,517,027</u>	<u>102,181</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	160,000	140,400	140,378	22
Materials and Supplies	21,323	63,077	61,783	1,294
Capital Outlay - New	73,688	56,783	33,259	23,524
Total Instruction	<u>255,011</u>	<u>260,260</u>	<u>235,420</u>	<u>24,840</u>
Support Services:				
Pupil:				
Materials and Supplies	38,513	31,033	27,834	3,199
Capital Outlay - New	15,679	6,358	5,659	699
Total Pupil	<u>54,192</u>	<u>37,391</u>	<u>33,493</u>	<u>3,898</u>
Instructional Staff:				
Materials and Supplies	5,039	2,778	2,730	48
Board of Education:				
Other	5,000	1,650	1,639	11
Administration:				
Purchased Services	25,000	16,440	16,432	8
Materials and Supplies	5,172	1,521	1,521	0
Capital Outlay - New	7,500	3,268	3,258	10
Total Administration	<u>\$37,672</u>	<u>\$21,229</u>	<u>\$21,211</u>	<u>\$18</u>
Fiscal:				
Other	18,501	12,122	12,115	7
Business:				
Purchased Services	35,001	21,252	21,239	13
Operation and Maintenance of Plant:				
Purchased Services	1,183,940	1,125,909	1,104,345	21,564
Materials and Supplies	263,661	233,347	224,404	8,943
Capital Outlay - Replacement	8,122	6,274	6,137	137
Total Operation and Maintenance of Plant	<u>\$1,455,723</u>	<u>\$1,365,530</u>	<u>\$1,334,886</u>	<u>\$30,644</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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pupil Transportation:				
Purchased Services	\$36,091	\$26,997	\$25,899	\$1,098
Materials and Supplies	186,685	178,842	163,788	15,054
Capital Outlay - Replacement	66,237	46,578	45,559	1,019
<b>Total Pupil Transportation</b>	<u>289,013</u>	<u>252,417</u>	<u>235,246</u>	<u>17,171</u>
Central:				
Purchased Services	50,445	64,220	58,617	5,603
Materials and Supplies	102,706	86,852	69,136	17,716
Capital Outlay - New	102,407	89,814	51,353	38,461
<b>Total Central</b>	<u>255,558</u>	<u>240,886</u>	<u>179,106</u>	<u>61,780</u>
<b>Total Support Services</b>	<u>2,155,699</u>	<u>1,955,255</u>	<u>1,841,665</u>	<u>113,590</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Purchased Services	20,000	15,650	15,614	36
Materials and Supplies	5,269	3,509	2,610	899
Capital Outlay - New	18,001	14,701	14,672	29
<b>Total Operation of Non-Instructional Services</b>	<u>43,270</u>	<u>33,860</u>	<u>32,896</u>	<u>964</u>
<i>Total Expenditures</i>	<u>2,453,980</u>	<u>2,249,375</u>	<u>2,109,981</u>	<u>139,394</u>
<i>Excess of Revenues Under Expenditures</i>	(1,147,182)	(834,529)	(592,954)	241,575
<b>Other Financing Sources</b>				
Advances In	40,000	40,000	40,000	0
<i>Net Change in Fund Balance</i>	(1,107,182)	(794,529)	(552,954)	241,575
<i>Fund Balance Beginning of Year</i>	1,159,784	1,159,784	1,159,784	0
Prior Year Encumbrances Appropriated	168,980	168,980	168,980	0
<b><i>Fund Balance End of Year</i></b>	<u><u>\$221,582</u></u>	<u><u>\$534,235</u></u>	<u><u>\$775,810</u></u>	<u><u>\$241,575</u></u>

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$76,335	\$76,335	\$76,335	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	76,335	76,335	76,321	14
<i>Net Change in Fund Balance</i>	0	0	14	14
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$14</u>	<u>\$14</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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$42,000	\$39,000	\$39,000	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	35,000	39,000	39,000	0
<i>Net Change in Fund Balance</i>	7,000	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$7,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**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, 2005*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Sales	\$1,623,958	\$1,553,170	\$1,542,633	(\$10,537)
Operating Grants	676,042	646,830	636,608	(10,222)
<i>Total Revenues</i>	<u>2,300,000</u>	<u>2,200,000</u>	<u>2,179,241</u>	<u>(20,759)</u>
<b>Expenses</b>				
Salaries:				
Food Service Operations	1,015,013	947,450	921,708	25,742
Fringe Benefits:				
Food Service Operations	325,279	320,558	316,438	4,120
Purchased Services:				
Food Service Operations	90,271	87,996	86,546	1,450
Materials and Supplies:				
Food Service Operations	853,205	816,410	806,897	9,513
<i>Total Expenses</i>	<u>2,283,768</u>	<u>2,172,414</u>	<u>2,131,589</u>	<u>40,825</u>
<i>Excess of Revenues Over Expenses</i>	16,232	27,586	47,652	20,066
Advances Out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(3,768)	7,586	27,652	20,066
<i>Fund Equity Beginning of Year</i>	24,976	24,976	24,976	0
Prior Year Encumbrances Appropriated	<u>3,768</u>	<u>3,768</u>	<u>3,768</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$24,976</u>	<u>\$36,330</u>	<u>\$56,396</u>	<u>\$20,066</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, 2005*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Sales	\$185,000	\$315,000	\$296,051	(\$18,949)
Interest	1,000	1,000	888	(112)
<i>Total Revenues</i>	186,000	316,000	296,939	(19,061)
<b>Expenses</b>				
Materials and Supplies:				
Regular Instruction	378,662	390,944	342,718	48,226
Special Instruction	7,767	8,050	5,277	2,773
Vocational Instruction	30,665	36,856	22,887	13,969
<i>Total Expenses</i>	417,094	435,850	370,882	64,968
<i>Excess of Revenues Under Expenses</i>	(231,094)	(119,850)	(73,943)	45,907
Transfers In	244,000	244,000	244,000	0
Transfers Out	0	(184,000)	(184,000)	0
<i>Net Change in Fund Equity</i>	12,906	(59,850)	(13,943)	45,907
<i>Fund Equity Beginning of Year</i>	113,407	113,407	113,407	0
Prior Year Encumbrances Appropriated	17,094	17,094	17,094	0
<i>Fund Equity End of Year</i>	\$143,407	\$70,651	\$116,558	\$45,907

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$28,000	\$24,000	\$23,984	(\$16)
Miscellaneous	1,000	1,000	929	(71)
<i>Total Revenues</i>	<u>29,000</u>	<u>25,000</u>	<u>24,913</u>	<u>(87)</u>
<b>Expenses</b>				
Purchased Services:				
Vocational Instruction	1,303	1,303	1,210	93
Materials and Supplies:				
Vocational Instruction	26,460	26,461	23,385	3,076
Operation of Non-Instructional Services	2,237	3,304	664	2,640
Total Materials and Supplies	<u>28,697</u>	<u>29,765</u>	<u>24,049</u>	<u>5,716</u>
<i>Total Expenses</i>	<u>30,000</u>	<u>31,068</u>	<u>25,259</u>	<u>5,809</u>
<i>Net Change in Fund Equity</i>	(1,000)	(6,068)	(346)	5,722
<i>Fund Equity Beginning of Year</i>	8,648	8,648	8,648	0
Prior Year Encumbrances Appropriated	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$7,649</u>	<u>\$2,581</u>	<u>\$8,303</u>	<u>\$5,722</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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition and Fees	\$10,000	\$4,100	\$4,100	\$0
Operating Grants	6,000	3,915	3,915	0
<i>Total Revenues</i>	16,000	8,015	8,015	0
<b>Expenses</b>				
Salaries:				
Pupil Support Services	25,000	8,949	7,494	1,455
Fringe Benefits:				
Pupil Support Services	5,000	1,050	1,049	1
<i>Total Expenses</i>	30,000	9,999	8,543	1,456
<i>Net Change in Fund Equity</i>	(14,000)	(1,984)	(528)	1,456
<i>Fund Equity Beginning of Year</i>	17,175	17,175	17,175	0
Prior Year Encumbrances Appropriated	1	1	1	0
<i>Fund Equity End of Year</i>	\$3,176	\$15,192	\$16,648	\$1,456



**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition and Fees	\$550,000	\$515,000	\$548,841	\$33,841
Miscellaneous	15,000	10,000	11,626	1,626
<i>Total Revenues</i>	<u>565,000</u>	<u>525,000</u>	<u>560,467</u>	<u>35,467</u>
<b>Expenses</b>				
Salaries:				
Regular Instruction	58,113	55,613	55,530	83
Administration	11,181	10,781	10,761	20
Pupil Transportation Support Services	1,526	1,276	1,189	87
Operation of Non Instructional Services	278,262	273,743	273,658	85
Total Salaries	<u>349,082</u>	<u>341,413</u>	<u>341,138</u>	<u>275</u>
Fringe Benefits:				
Regular Instruction	8,981	7,982	7,775	207
Administration	2,759	1,361	1,328	33
Operation of Non Instructional Services	64,158	60,657	60,514	143
Total Fringe Benefits	<u>75,898</u>	<u>70,000</u>	<u>69,617</u>	<u>383</u>
Purchased Services:				
Regular Instruction	100	100	75	25
Operation of Non Instructional Services	3,562	3,064	2,983	81
Total Purchased Services	<u>3,662</u>	<u>3,164</u>	<u>3,058</u>	<u>106</u>
Materials and Supplies:				
Regular Instruction	4,118	3,860	2,326	1,534
Pupil Transportation Support Services	777	603	591	12
Operation of Non Instructional Services	29,449	29,149	28,197	952
Total Materials and Supplies	<u>34,344</u>	<u>33,612</u>	<u>31,114</u>	<u>2,498</u>
Capital Outlay:				
Operation of Non Instructional Services	51	243	239	4
<i>Total Expenses</i>	<u>463,037</u>	<u>448,432</u>	<u>445,166</u>	<u>3,266</u>
<i>Excess of Revenues Over Expenses</i>	101,963	76,568	115,301	38,733
Transfers Out	(114,400)	(112,667)	(112,667)	0
<i>Net Change in Fund Equity</i>	(12,437)	(36,099)	2,634	38,733
<i>Fund Equity Beginning of Year</i>	141,025	141,025	141,025	0
Prior Year Encumbrances Appropriated	2,437	2,437	2,437	0
<i>Fund Equity End of Year</i>	<u>\$131,025</u>	<u>\$107,363</u>	<u>\$146,096</u>	<u>\$38,733</u>

**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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$7,000,000	\$9,200,000	\$9,201,985	\$1,985
<b>Expenses</b>				
Purchased Services	0	97,980	96,625	1,355
Claims	7,500,000	8,402,020	7,906,462	495,558
<i>Total Expenses</i>	<u>7,500,000</u>	<u>8,500,000</u>	<u>8,003,087</u>	<u>496,913</u>
<i>Net Change in Fund Equity</i>	(500,000)	700,000	1,198,898	498,898
<i>Fund Equity Beginning of Year</i>	<u>4,511,823</u>	<u>4,511,823</u>	<u>4,511,823</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,011,823</u></u>	<u><u>\$5,211,823</u></u>	<u><u>\$5,710,721</u></u>	<u><u>\$498,898</u></u>

**Willoughby-Eastlake City School District**

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b><i>Program Revenues</i></b>				
Charges for Services	\$2,197,329	\$2,069,896	\$1,903,306	\$2,320,138
Operating Grants and Contributions	5,186,053	4,769,308	4,603,242	3,411,408
Capital Grants and Contributions	115,335	337,745	659,697	45,500
<b><i>General Revenues</i></b>				
Property Taxes	55,334,245	46,179,731	44,238,699	45,290,368
Intergovernmental	22,184,930	21,649,739	20,018,302	18,226,009
Interest	409,369	74,431	316,543	477,823
Miscellaneous	215,826	312,575	567,801	651,339
Total	<u>\$85,643,087</u>	<u>\$75,393,425</u>	<u>\$72,307,590</u>	<u>\$70,422,585</u>
<b><i>Expenses</i></b>				
Current:				
Instruction:				
Regular	\$39,451,496	\$34,267,654	\$32,662,076	\$32,292,315
Special	8,855,371	8,470,276	7,455,491	6,911,855
Vocational	1,475,021	4,003,332	4,294,026	3,204,535
Adult/Continuing	303,603	271,466	278,711	246,983
Support Services:				
Pupil	5,381,087	4,879,314	4,673,238	4,653,166
Instructional Staff	3,247,597	2,927,738	2,841,906	2,308,567
Board of Education	266,648	226,658	159,898	242,920
Administration	4,933,928	4,588,747	4,481,120	4,164,253
Fiscal	1,508,234	1,569,754	1,179,809	1,077,882
Business	431,119	395,959	441,702	490,085
Operation and Maintenance of Plant	7,245,874	7,627,603	7,219,331	7,250,968
Pupil Transportation	5,224,748	5,101,508	4,882,342	3,463,783
Central	975,591	873,224	747,013	900,283
Operation of Non-Instructional Services	942,262	891,941	1,018,816	924,491
Extracurricular Activities	1,943,532	1,724,236	1,731,131	1,694,132
Debt Service	87,488	76,881	160,204	171,470
Total	<u>\$82,273,599</u>	<u>\$77,896,291</u>	<u>\$74,226,814</u>	<u>\$69,997,688</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>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>				
Property Taxes	\$53,342,343	\$44,019,963	\$42,962,942	\$42,917,933
Intergovernmental	21,772,703	21,553,078	20,520,439	17,969,386
Interest	403,463	68,520	312,126	470,657
Tuition and Fees	569,965	419,559	542,690	845,038
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	295	0	0
Charges for Services	393,347	381,051	134,387	327,603
Rentals	221,809	256,494	311,712	290,004
Miscellaneous	153,100	121,186	394,383	458,216
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u><u>\$76,856,730</u></u>	<u><u>\$66,820,146</u></u>	<u><u>\$65,178,679</u></u>	<u><u>\$63,278,837</u></u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	\$36,779,353	\$34,647,402	\$31,760,796	\$30,558,174
Special	7,459,400	7,507,611	6,781,583	6,192,207
Vocational	1,541,140	3,929,583	4,220,943	3,163,491
Other	0	0	0	0
Support Services				
Pupil	4,172,831	4,053,949	3,631,558	3,619,555
Instructional Staff	2,354,901	2,509,984	2,175,416	1,953,515
Board of Education	266,198	235,839	155,473	238,331
Administration	4,602,411	4,523,056	4,256,260	4,062,186
Fiscal	1,524,226	1,627,833	1,159,143	1,046,195
Business	329,777	393,739	435,937	461,150
Operation and Maintenance of Plant	5,851,571	6,069,986	5,505,444	5,442,422
Pupil Transportation	4,766,093	5,023,125	4,567,616	3,270,251
Central	903,714	881,736	630,049	758,127
Operation of Non-Instructional Services	30,860	16,782	16,910	3,401
Extracurricular Activities	1,037,954	162,830	168,502	165,709
Capital Outlay	36,668	33,623	28,084	79,513
Debt Service	0	0	0	0
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u><u>\$71,657,097</u></u>	<u><u>\$71,617,078</u></u>	<u><u>\$65,493,714</u></u>	<u><u>\$61,014,227</u></u>

(1) Information is based on modified accrual.

Source: School District Financial Records

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$44,147,371	\$43,725,047	\$42,187,216	\$42,108,268	\$38,487,088	\$37,453,502
14,561,652	13,178,730	12,466,867	12,191,864	12,187,714	12,131,499
864,710	748,275	509,330	410,778	0	0
1,703,110	1,664,316	1,593,232	1,336,320	1,175,889	459,562
0	0	11,103	0	0	0
0	2,617	86	0	0	0
189,222	249,175	185,985	0	0	0
251,361	237,144	249,000	0	0	0
178,187	148,911	173,750	470,149	529,429	681,448
<u>\$61,895,613</u>	<u>\$59,954,215</u>	<u>\$57,376,569</u>	<u>\$56,517,379</u>	<u>\$52,380,120</u>	<u>\$50,726,011</u>
\$28,661,944	\$28,369,993	\$25,723,573	\$24,691,598	\$24,994,557	\$24,875,405
5,763,895	6,228,426	5,700,000	4,617,590	4,671,276	4,595,200
3,228,739	1,933,046	2,043,381	3,091,397	2,336,717	2,008,289
0	0	0	489,221	723,290	1,051,655
3,186,731	3,271,335	2,909,394	2,796,003	2,842,161	2,907,259
1,616,654	1,515,454	1,405,870	1,307,190	1,334,359	1,393,889
304,184	218,226	273,908	247,471	158,562	202,069
4,098,220	3,866,846	3,674,935	3,626,395	3,927,895	3,649,616
967,248	961,969	1,116,090	943,849	848,035	789,324
404,410	363,186	429,132	299,597	249,027	322,856
6,229,808	6,158,254	5,203,914	5,181,042	5,010,356	4,630,534
4,505,333	3,822,720	3,400,200	3,077,564	2,966,772	2,962,953
744,902	532,102	483,236	437,291	414,428	374,400
8,184	30,354	32,558	38,105	24,401	7,882
132,853	137,808	92,441	129,438	98,430	84,909
4,162	0	26,505	0	25,919	29,222
3,411	40,931	40,931	66,309	1,483,884	1,557,908
<u>\$59,860,678</u>	<u>\$57,450,650</u>	<u>\$52,556,068</u>	<u>\$51,040,060</u>	<u>\$52,110,069</u>	<u>\$51,443,370</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
2004	\$57,362,775	\$2,862,537	\$60,225,312	\$54,342,174	94.7 %
2003	46,804,936	2,541,498	49,346,434	45,525,668	97.3
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

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. 2005 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>
\$1,040,525	\$55,382,699	96.5 %
941,749	46,467,417	99.3
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

**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)
2005	\$1,507,618,970	\$4,307,482,771	\$99,635,310	\$113,221,943
2004	1,495,749,310	4,273,569,457	100,666,340	114,393,568
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

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 various percentages of actual value.  
 Capital assets for tangible personal property is assessed at 25 percent of actual value.  
 Inventory for tangible personal property is assessed at 23 percent of actual value.



<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>
\$150,185,970	\$600,743,880	\$1,757,440,250	\$5,021,448,594	35 %
149,233,854	596,935,416	1,745,649,504	4,984,898,441	35
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

**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
2005	\$48.27	\$0.20	\$1.30	\$49.77	\$15.70	\$1.30
2004	45.85	0.24	1.30	47.39	15.70	1.30
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

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>
\$73.45	\$76.03	\$74.17	\$86.27	\$87.97	\$72.70	\$79.77
71.18	75.19	71.79	83.89	77.39	70.39	77.39
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

**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
2005	\$1,500,730	\$1,757,440,250	67,452	0.09 %	\$22.25
2004	1,818,068	1,846,315,847	67,218	0.10	27.05
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

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, 2005*

Assessed Valuation	<u><u>\$1,757,440,250</u></u>
Debt Limit - 9% of Assessed Value (1)	\$158,169,623
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	1,960,000
Less: Amount Available in Debt Service Fund	<u>(459,270)</u>
Amount of Debt Subject to the Limit	<u>1,500,730</u>
Overall Debt Margin	<u><u>\$156,668,893</u></u>
Debt Limit - .10% of Assessed Value (1)	\$1,757,440
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$1,757,440</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, 2004*

<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	\$1,960,000	100.00 %	\$1,960,000
<u>Overlapping:</u>			
City of Willoughby	16,164,152	97.91	15,826,321
City of Eastlake	15,600,000	99.94	15,590,640
City of Willoughby Hills	905,937	100.00	905,937
City of Willowick	210,000	99.95	209,895
Lake County	28,849,100	27.94	8,060,439
Total Overlapping	61,729,189		40,593,232
Total	\$63,689,189		\$42,553,232

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 2004 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)
2005	\$245,000	\$87,987	\$332,987	\$71,657,097	0.46 %
2004	205,000	82,230	287,230	71,617,078	0.40
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

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>
2005	230,063	67,452	8,883	5.7 %
2004	229,004	67,218	8,869	6.3
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

(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>
2004	\$1,495,749,310	\$101,837,959	\$16,221,222	\$23,508,585
2003	1,250,154,890	97,238,973	17,549,711	25,433,897
2002	1,231,219,950	95,760,917	18,869,143	22,149,286
2001	1,217,271,030	63,893,769	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

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, 2004*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Inland Southeast	\$12,642,150	0.84 %
First Interstate	10,310,380	0.68
Tam A Rac Estates	8,050,680	0.53
Millstein Norman TR	5,193,790	0.35
Ohio Presbyterian	4,934,740	0.33
Cleveland Clinic	4,711,280	0.31
Shoregate Towers LLC	4,413,060	0.29
Shoregate Shopping Center	4,375,830	0.29
Pine Ridge Apartments	4,298,650	0.29
Pine Ridge Valley	<u>3,791,460</u>	<u>0.25</u>
Total	<u><u>\$62,722,020</u></u>	<u><u>4.16 %</u></u>
Total Assessed Value	<u><u>\$1,507,618,970</u></u>	

Source: Lake County Auditor

(1) Assessed values are for the 2005 collection year.

**Willoughby-Eastlake City School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*December 31, 2004*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
G E Quartz Incorporated	\$28,582,170	19.03 %
Swagelok Manufacturing	9,490,180	6.32
Conn Selmer Incorporated	4,309,490	2.87
Metal Seal and Products Incorporated	4,202,220	2.80
Micro Products Company	3,619,280	2.41
Midwest Electricial Supply	3,420,480	2.28
Swagelok Semiconductor	3,325,000	2.21
Classic of Willoughby	3,322,387	2.21
G E Lighting	3,222,420	2.14
Concorde Casting Incorporated	<u>2,848,490</u>	<u>1.90</u>
Total	<u><u>\$66,342,117</u></u>	<u><u>44.17 %</u></u>
Total Assessed Value	<u><u>\$150,185,970</u></u>	

Source: Lake County Auditor

(1) Assessed values are for the 2005 collection year.

**Willoughby-Eastlake City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2004*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utilities Assessed Value</u>
Cleveland Electric Illuminating Company	\$65,122,190	65.36 %
First Energy Generation	14,334,620	14.39
Ohio Bell Telephone Company	9,620,060	9.66
AM Transmission System	5,997,990	6.02
East Ohio Gas Company	<u>1,357,610</u>	<u>1.36</u>
Total	<u>\$96,432,470</u>	<u>96.79 %</u>
Total Assessed Value	<u>\$99,635,310</u>	

Source: Lake County Auditor

(1) Assessed values are for the 2005 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>
2004	\$71,657,097	8,883	\$8,067
2004	71,617,078	8,869	8,075
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

Source: School District Financial Records.

**Willoughby-Eastlake City School District**

*Teacher Education and Experience*

*June 30, 2005*

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	109	18.66 %
Bachelor + 15	58	9.93
Bachelor + 30	62	10.62
Master's Degree	242	41.44
Master's + 15	68	11.64
Master's + 30	24	4.11
Master's + 45	8	1.37
Master's + 60	9	1.54
Doctorate	<u>4</u>	<u>0.69</u>
Total	<u><u>584</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	160	27.40 %
6 - 10	116	19.86
11 and Over	<u>308</u>	<u>52.74</u>
	<u><u>584</u></u>	<u><u>100.00 %</u></u>

Source: School District Personnel Records



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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  
DECEMBER 30, 2005**