



Dave Yost • Auditor of State

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education</i>					
National School Lunch Program	10.555	\$ 313,599	\$ 42,608	\$ 313,599	\$ 42,608
			-		-
Total U.S. Department of Agriculture		<u>313,599</u>	<u>42,608</u>	<u>313,599</u>	<u>42,608</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education</i>					
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B) - 2014	84.027	181,060	-	181,095	-
Special Education - Grants to States (IDEA, Part B) - 2015	84.027	551,145	-	551,140	-
Total Special Education - Grants to States (IDEA, Part B)		<u>732,205</u>	-	<u>732,235</u>	-
Special Education - Preschool Grants (IDEA Preschool) - 2014	84.173	4,180	-	4,181	-
Special Education - Preschool Grants (IDEA Preschool) - 2015	84.173	12,155	-	12,153	-
Total Special Education - Preschool Grants (IDEA Preschool)		<u>16,335</u>	-	<u>16,334</u>	-
Total Special Education Cluster (IDEA)		<u>748,540</u>	-	<u>748,569</u>	-
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - 2014	84.010	161,265	-	161,267	-
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - 2015	84.010	287,412	-	287,405	-
Total Title I Grants to Local Educational Agencies		<u>448,677</u>	-	<u>448,672</u>	-
English Language Acquisition Grants (LEP) - 2014	84.365	16,203	-	16,203	-
English Language Acquisition Grants (LEP) - 2015	84.365	34,085	-	34,080	-
English Language Acquisition Grants (Immigrant) - 2013	84.365	1,517	-	1,517	-
English Language Acquisition Grants (Immigrant) - 2014	84.365	2,126	-	2,126	-
Total English Language Acquisition Grants		<u>53,931</u>	-	<u>53,926</u>	-
Improving Teacher Quality State Grants - 2014	84.367	2,529	-	2,531	-
Improving Teacher Quality State Grants - 2015	84.367	51,308	-	51,308	-
Total Improving Teacher Quality State Grants		<u>53,837</u>	-	<u>53,839</u>	-
Total U.S. Department of Education		<u>1,304,985</u>	-	<u>1,305,006</u>	-
Grand Total		<u>\$ 1,618,584</u>	<u>\$ 42,608</u>	<u>\$ 1,618,605</u>	<u>\$ 42,608</u>

The accompanying notes are an integral part of this schedule.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Westlake City School District's (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2015, wherein we noted the District adopted Government Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 17, 2015



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Westlake City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Westlake City School District's major federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Westlake City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Westlake City School District (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 17, 2015. Our opinion also explained that the District adopted *Governmental Accounting Standards No. 68 and 71* during the year. We conducted our audit to opine on the District's' basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 17, 2015

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	<u>Nutrition Cluster:</u> National School Lunch Program- CFDA #10.555 <u>Special Education Cluster:</u> Special Education Grants to States- CFDA #84.027 and Special Education Pre-School CFDA # 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**WESTLAKE CITY
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2015

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

27200 HILLIARD BLVD.

WESTLAKE, OHIO 44145

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**WESTLAKE CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY, OHIO**
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INTRODUCTORY SECTION

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Board of Education
27200 Hilliard Blvd.
Westlake, OH 44145
(440) 871-7300
Fax (440) 871-6034

December 17, 2015

Board of Education Members
Westlake City School District

Geoff Palmer
Superintendent
(440) 835-6303

Mark C. Pepera
CFO/Treasurer
(440) 835-6301

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Westlake City School District (the "District") for the fiscal year ended June 30, 2015. This CAFR includes an opinion from the State Auditor and conforms to accounting principles generally accepted in the United States of America as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Westlake City School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Porter Public Library, major taxpayers, financial rating services and other interested parties.

The Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Westlake City School District (the primary government) and its potential component units. The District has no component units.

Excluded from the reporting entity because they are fiscally independent of the District are the City of Westlake, the Parent Teacher Organization, and West Shore Career Technical District.

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

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

Organizational Structure

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

The District provides education to 4,059 students in grades kindergarten through twelfth. The District provides general education, special education and vocational type academic programs. The District's enrollment has remained relatively flat over the last several years and is projected to remain stable in the foreseeable future.

The Westlake City School District

The Westlake City School District (formerly known as the Dover School District) was originally organized in 1898. Later in 1913, the school burned and a new school building was constructed to educate students. Over the years, the District has grown in size and now supports seven instructional buildings: high school (inclusive of a Performing Arts Center and Television studio), middle school, intermediate school and four elementary buildings. The schools range in age from 1 to 60 years old. The District operates a variety of non-classroom facilities that consist of athletic fields, an administration facility and a transportation depot.

Economic Condition and Outlook

In the 2010 Census classifications, the District was in the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA), comprised of the five counties of Cuyahoga, Geauga, Lake, Lorain and Medina. It was also in the Cleveland-Akron Consolidated Statistical Area (CSA). Effective in 2003, the Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA) was redefined to exclude Ashtabula County and was reclassified as the MSA. Only limited statistics are now available for the new MSA and CSA.

The City's 2015 population was 32,729. See **Demographic and Economic Statistics – Population** in the statistical section. Its area is approximately 15.9 square miles. Land use, as measured by the assessed value of real property, is presented in the following table.

	Percent of Assessed Valuation of Real Property
Residential	70.41%
Commercial/Industrial	27.74%
Public Utility	1.85%
Agricultural	0.00
Undeveloped	(a)

(a) Included in above categories.
Source: County Fiscal Officer.

The City of Westlake (the "City") is one of the leaders in Cuyahoga County in growth and development. The School District's general area is served by diversified transportation facilities, including three State and one U.S. highway and I-80, I-480 and I-90 (located within the City). It is served by Norfolk and Southern Railroad and is adjacent to areas served by Conrail and Amtrak, and is also served by passenger air services at Cleveland Hopkins International Airport located seven miles from the City and by Burke Lakefront Airport located 15 miles from the City. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority. While primarily developed as a residential suburb, the City contains a significant number of corporate facilities, office parks, hotels, wholesale distribution facilities and other industrial and commercial developments. While most of the residentially zoned land has been developed some commercial and industrial zoned land remains available for use. The City's development plan forecasts full growth by 2020.

Banking and financial services are provided to the area by several local commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

Several newspapers, including *The [Cleveland] Plain Dealer*, and two local newspapers serve the area. The District is within the broadcast area of all major television and radio stations. Multi-channel cable television service, including educational, governmental and public access channels, is currently available to the District via the local cable authority.

Several acute-care hospitals with a total capacity in excess of 11,790 beds serve the local vicinity. City residents are served by St. John-West Shore Hospital which is located in the City (and affiliated with University Hospitals of Cleveland), and three hospitals located in nearby cities: Lakewood Hospital (Cleveland Clinic), Southwest General Hospital and Fairview General Hospital (Cleveland Clinic). Also located within the City are clinic and outpatient facilities for every major health care provider in the Cleveland area, including the renowned Cleveland Clinic. In addition, the main facilities of the Cleveland Clinic Foundation and University Hospitals Health Systems, with a total capacity in excess of 10,700 beds, serve the local vicinity.

Within commuting distance are numerous public and private two-year and four-year colleges and universities, including Baldwin-Wallace University, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community College, Notre Dame College, Oberlin College, University of Akron, Ursuline College, the Cleveland Institute of Music and the Cleveland Institute of Art. Cuyahoga Community College's Corporate College and Cleveland State University's West Center are located within the City.

The District is served by varied recreational facilities. The City operates a park system of four parks with a total of 290 acres, offering facilities which include playgrounds, tennis courts, baseball diamonds, an outdoor swimming pool, picnic areas and pavilions, an entertainment pavilion, a community cabin and a nature park. Additionally, the City purchased an existing nine-hole golf course in 1988 and also purchased, in 1990, an adjacent 18-hole golf course, which were reconfigured to create a 27-hole golf course that the City operates. The City is one of three cities (Rocky River and Fairview Park being the others) that operate the 14-acre Tri-City Park offering a baseball diamond, soccer field, basketball court, playground area, parking facility and four tennis courts.

The City opened its Recreation Center to the public on November 2, 1998. The Recreation Center includes a recreation building with an aquatic room housing five pools, a diving well, and spectator seating and a family locker room in addition to men's and women's locker facilities. The pool area opens onto an outdoor terrace for summer use. The gymnasium contains two regulation basketball courts with optional use as four smaller basketball or volleyball courts. A one-twelfth-mile, three lane running/walking track occupies the gym at mezzanine level. Also included are a lobby and snack area overlooking the pool, an aerobics/multi-purpose room, an exercise and fitness room, an arts and crafts room, a babysitting facility, staff offices and meeting space, and a community room with an associated warming kitchen. The Recreation Center is situated on an 86-acre park-like setting, including two full-size soccer fields, three smaller soccer fields, two softball/baseball diamonds, five tennis courts, and an extensive paved path for biking, jogging, walking, and rollerblading. A concession/restroom building serves users of the playing fields.

Other recreational and community assets within the local vicinity include two major professional sports teams, concert venues offering year-round entertainment, and the Cleveland Metroparks System (Metroparks), which consists of nearly 19,000 acres of natural beauty with many scenic, historic and geologic features in Cuyahoga, Lorain and Medina counties. Over 100 miles of parkways provide easy access to the Metroparks facilities designed in accordance with the park's conservation goals: wildlife management areas and waterfowl sanctuaries; picnic areas and playfields; hiking, bridle, all-purpose and physical fitness trails; six golf courses; swimming, boating and fishing areas; stables; tobogganing, sledding, skating and cross-country skiing areas; and four nature centers offering nature exhibits and programs. A principal asset of the Metroparks is the Cleveland Zoo counting over 3,000 animals occupying 165 rolling, wooded acres, and which is accredited by the American Association of Zoological Parks and Aquariums.

In November of 2000, voters approved the construction of Crocker Park, a mixed-use planned development on eighty acres in the western part of the City. In 2006, construction began on 116 units of residential housing consisting of lofts and townhomes that surround themed gardens. This development has created a downtown center for the City with retail, office, restaurant, and residential spaces. Recent expansion efforts have been made to this property including the relocation of American Greetings headquarters and the addition of a hotel and additional retail space.

In addition to new commercial/industrial development, the City approved plans for several additional upscale subdivisions throughout the City. Strong housing values continue to provide evidence of this upscale community. Recent median home values have risen over the last year to \$247,500 and were compared with the County at \$125,700.

Due to the economic success and geographical positioning of the City, the District has a positive outlook for the future with respect to tax based revenues resulting from the mix of residential, commercial and industrial entities.

Major Initiatives

During fiscal year 2015, 4,059 students were enrolled in the District's seven schools (four elementary schools, one intermediate school, one middle school, and one high school), which figure includes District residents attending classes at the West Shore Career Technical District (described further below). The District employs (full- and part-time) 275 professional staff members, 248 non-teaching and support staff employees and 21 administrators.

The District operates a variety of non-classroom facilities that consist of athletic fields, an administration facility and a transportation depot.

The high school curriculum offers a wide range of electives and comprehensive courses of study in college preparatory, vocational and physical education programs. A full range of extracurricular programs and activities is available, beginning in the elementary grades. All District schools have libraries, lunch programs, and multipurpose rooms or gyms for student activities.

Approximately 82% of the teaching staff have master's degrees. The District's faculty has an average of 16 years of teaching experience, compared to the statewide average of 14 years (as of Fiscal Year 2014), placing them in the top 3% in the state.

Classroom teachers at all levels are supported by specialists in reading, guidance, technology, library services, art, music and physical education. Aides are employed on an as-needed basis to support programming requirements. Nurses, psychologists, aides assisting at-risk and disabled students, and speech pathologists are employed to work with students at all levels. The District's Pupil Personnel Services program includes school health and psychological services, pupil appraisal, counseling and guidance services, special education services, and speech-language and hearing services. Guidance counselors are available at the elementary, intermediate, middle school, and high school levels.

The District is one of the school districts in the West Shore Career Technical District (West Shore Career Tech), which also includes the Bay Village, Rocky River, and Lakewood City School Districts. This vocational program has over 500 students, including 30 from the District, enrolled in either a two-year intensive training or one-year work/study program.

Career Technical courses offered at the high school include Occupational Work Experience. Other career technical programs are available at West Shore Career Technical District.

As mentioned, the District operates four elementary buildings, one intermediate building, one middle school, and one high school. The neighborhood school concept is maintained for the District's younger children, while in the upper grades, the grade level buildings provide for a more efficient use of teaching personnel and equipment, and increase opportunities for staff teaming within grade levels and articulation between grade levels.

The District is characterized by high academic performance. Students consistently score well above the state average at the third through eighth and tenth grade levels on the State achievement tests. Westlake High School students score above the national and State averages on the SAT and the ACT tests. In recent years, the District has had several students earn National Merit Semifinalist and Commended student honors. These honors are based on scores on the PSAT test administered during the junior year. Students earning the National Merit Semifinalist designation scored in the upper one-half of one percent of graduating seniors in the State.

The District's educational program includes these attributes and accomplishments, among others:

- The District offers 54 Advanced Placement (AP)/Honors/International Baccalaureate courses in a variety of disciplines.
- On the 2013-2014 State Report Card, the District earned a gifted ranking of #1 in the State for its work in educating the District's gifted and talented population. The District also ranked 22nd in the State on "value-added", which measures student achievement for all students over time.
- 8 High School students were named finalists and 11 students were named commended in the 2014 National Merit Scholarship Program, placing them in the top 1% and top 5% of students in the nation, respectively.
- High School students performed significantly higher than state averages on the SAT and ACT examinations.
- Four High School student scored a perfect 36 on the ACT test in the 2014-2015 school year.
- The District offers an introductory second language learning program at the elementary level to provide students with a foundation for future learning of second and/or third languages. At the intermediate level, students are given the option to continue with the language they studied at the elementary level or to explore another language. At the middle and high school levels, students are given a choice of languages to study.
- 100% of the District's 3rd graders met the criteria for promotion to fourth grade under the State's "Third Grade Reading Guarantee".
- Middle School students are offered high school credit courses in Spanish, French, Algebra, Honors Geometry, and Honors Physical Science. 394 Middle School students earned high school credit last year – 175 in World Language, 58 in Honors Physical Science, 125 in Algebra I, 36 in Honors Geometry.
- The District's music program for all K-12 students includes an instrumental, strings, and chorus program beginning in fifth grade. Students are consistently recognized with superior performance ratings at *Ohio Music Education Association* state contests.
- The High School television station, WHBS-TV, provides students a unique opportunity to experience a working television studio.
- A high school senior won the silver medal and runner-up honors in the national TechDirections annual Inventors Competition for designing a skyscraper that utilizes piezo electric absorbers embedded into the building to harness the seemingly constant wind off Lake Michigan to create electricity.
- The middle school math team ranked third in the state and first in the region on the Ohio Math League Contest.
- Spanish I students from the middle school earned 11 Gold, 13 Silver, and 6 Bronze medals in the 2015 National Spanish Examinations. At the high school, 24 Spanish 2 Honors students scored in the 90th percentile on the exam, earning 13 gold, 21 silver, and 10 bronze medals.
- An intermediate school team scored high enough on a general science knowledge test to rank 4th in the country and second in the state in the 2014-2015 National Science League contest.
- The intermediate school sixth-grade Math Club team ranked 1st in the region and second in the state in the 2015 Ohio Mathematics League Contest.

- The Ohio Association of Elementary School Administrators named Holly Lane Elementary a 2015 Hall of Fame /School for going above and beyond the call of duty to get students, teachers and community members excited about education.
- A high school senior earned a National Silver Key Medal in the Scholastic Art & Writing Awards after earning a regional Gold Key award in the regional contest.
- A high school senior was named a semifinalist in the preliminary selection of the 2015 U.S. Presidential Scholars.
- A high school senior was admitted into the Eminence Fellows Program at The Ohio State University Honors & Scholars Center and received the Eminence Scholarship, the most prestigious scholarship offered to undergraduates at OSU.
- A middle school student's letter was named among the top 20% in Ohio to be a finalist in the Library of Congress' Letters About Literature 2015 Contest.
- The middle school Academic Challenge team finished undefeated in its bracket and went on to finish 2nd out of 28 teams to bring home a trophy and an overall 7-1 record to qualify for the National Academic Quiz Tournaments National Championship Tournament.
- The high school and middle school Academic Challenge teams finished in the Top 5 in the nation in the 3-2-1 Questions Unlimited online quiz competition, qualifying them for the national competition.
- An intermediate school fifth-grade student won a national story contest for Cricket magazine for her story about a temperamental fire-breathing dragon named Mr. Feugo.
- The high school girls' swim/dive team earned the Scholar Team Award from the National Interscholastic Swimming Coaches Association for having the highest team GPA in Ohio for the 3rd consecutive year.
- The middle school received the William M. Jones/Harvard Business School Club Excellence in School Management Award for its focus on children and student outcomes.

The District initiated a primary years International Baccalaureate (IB) Program with its four elementary schools in the spring of 2011. During this first phase, the Consideration Phase, IB-related staff development began at all four buildings. During the 2013-14 school year, the four schools entered the Candidate Phase (during which the schools take actions necessary to fulfill the requirements for IB Authorization) and were recently awarded IB Authorization during the 2014-15 school year.

In the spring of 2012, the District implemented a feasibility study for the IB Diploma Program at the High School and hired a part-time coordinator for the Program. For the 2012-13 school year, the District partnered with three area school districts to form a Diploma Years Programme. The High School entered the Candidate Phase in the spring of 2014 and received IB Authorization during the 2014-15 school year.

The District operates a before and after school care program, along with an expanded enrichment program (at the former Parkside school building) that serves over 500 students during the school year and over 300 students during the summer by providing supervised care and activities. The District also offers an adult community education programming with a participation of approximately 100 individuals.

A Continuous Improvement Plan (CIP) for the District was adopted by the Board on February 24, 2000, following its development from May to November 1999. This five-year, data-based, accountability plan (1999-2004) included (1) analysis of needs and strengths, (2) sets of goals, performance indicators, and strategies, (3) action plans for each goal (tasks, responsibilities, resources, timelines), (4) action plan chronology, and (5) structure for annual audits of performance indicators.

A Continuous Improvement Plan Monitoring Committee was established shortly after the adoption of the CIP in order to assess the implementation of action plans, status of yearly performance indicators, and degree to which CIP goals were reached. This Committee meets periodically to review data submitted by individuals identified as “persons responsible” for implementation of specific action plans during a given interval of time.

In June 2010, a two-day CIP Summit was held that included staff, students, parents, and business and community members. The information gathered at this Summit was used to write a new, three-year plan to build upon and strengthen the tradition of excellence in the School District. In April and May 2014 a team of parents, students and staff met to build on that foundation and to develop a revision to the existing plan. The CIP continues to serve as the District’s compass and is critical to the District’s continued success.

In addition to participation by area residents in activities, community involvement is evidenced by citizen membership on various Board and District committees that include, among others, buildings and grounds, transportation and safety, nutrition and curriculum advisement. A 20/20 Vision Committee was established years ago to study and recommend facilities improvements for the District. The result was the successful passage of a bond issue in May 2010. The Committee is still active today.

The Board has established a community information program that includes a formal communications office, informational newsletters to residents and staff, a District cable television channel, and various community surveys.

Community News: The District has several avenues of communication, including print and e-mail newsletters, to deliver news and information about the District to City residents:

- [Commentary](#) – covers features on student and staff activities and awards, programs available to the public, financial information, the business side of the School District and other general news. This newsletter is delivered several times a year to all City residents.
- [Key Communiqué](#) – an e-newsletter that is distributed at least once a month during the school year to provide the latest news and upcoming event information for the School District. Anyone can subscribe to this e-newsletter.
- [News Releases](#) – individual news items sent to the local media about contests, photo opportunities, upcoming events, or general informational messages.

Employee News: The District offers different tools to communicate with staff on a range of topics:

- [Around the Schools](#) -- a publication for and about School District employees is delivered via e-mail to all staff members each Monday.

Website: The District website is a comprehensive source of information about the District. Users of the site can access information on news from the schools and various departments, teacher web sites, athletic information, and upcoming events. Parents are granted access to the District’s ProgressBook program for online access to student grades and other information posted by teachers.

The State, in its academic assessments for the 2012-13 school year, began implementing a number of changes in the way in which the performance of its school districts and their individual schools is to be measured and reported. This new reporting is being phased in over several years. The four components initially included on the new report card are Achievement (measuring absolute academic achievement compared to national standards of success), Progress (measuring the average annual improvement for each student), Gap Closing (measuring how well a school district or school is doing in narrowing gaps in reading, math and graduation rate among students according to socioeconomic, racial, ethnic or disability status), and Graduation Rate (measuring the percentage of students who entered the 9th grade and graduated in four and five years). Two additional components, K-3 Literacy (measuring the improvement in reading for students in kindergarten through 3rd grade) and Prepared for Success (measuring whether students who graduate are prepared for college or a career), will be added in future years.

For academic year 2013-14, the District’s grades in the nine measures included within the four components described above were:

	Grade
Achievement	
Performance Index	B
Performance Indicators	A
Progress	
Value Added: Overall	A
Value Added: Gifted	A
Value Added: Students with Disabilities	C
Value Added: Lowest 20% in Achievement	B
Gap Closing	
Annual Measurable Objectives (AMOs)	C
Graduation Rate	
Graduation Rate (four year)	B
Graduation Rate (five year)	A

**2014-15 Report Card Data was not yet available*

Additional measures within the four components will be graded over the next two academic years, with component and overall grades to be added in the assessments for academic year 2015-16.

By satisfying 23 of the State’s 24 performance indicators for academic year 2013-14 (all based on achievement or graduation test passage rates), the District earned an “A” under the State’s academic performance rating system. School districts throughout the State, in the aggregate, were assigned the following designations related to their performance on the State’s achievement assessments and graduation tests.

Designation	Number of School Districts
A	188
B	114
C	131
D	113
F	63

Long-Term Financial Planning

As part of the District’s long-term planning, the CFO prepares a five-year financial forecast which is ultimately approved by the Board of Education and filed with the Ohio Department of Education. This document provides a snapshot of historical and projected revenues and expenses over the next five years and is accompanied by financial assumption notes. The Board of Education reviews this document on a quarterly basis for changes that might impact their financial decisions.

Financial Policies Impacting the Financial Statements

The District had offered a Retirement Incentive Bonus (“RIB”) and a Health Care Reimbursement Account (“HRA”) to certified teaching employees who were eligible to retire with the State Teachers Retirement System and made that election on or before July 1, 2011. This incentive provided a savings on future personnel costs for the District. Teachers electing to retire and accept the RIB and HRA were entitled to their normal severance payment plus a \$17,000 RIB plus an \$8,000 HRA. The employee’s RIB payment is payable in four substantially-equal payments with the first payment being made on or about the one-year anniversary date of the employee’s retirement and each subsequent payment being payable on or about the yearly anniversary of the retirement date. The employee’s HRA payment is payable in four substantially-equal payments with the first payment being made on or about the one-year anniversary date of the employee’s retirement and each subsequent payment being payable on or about the yearly anniversary of the retirement date.

The employee’s RIB and HRA payments have been recorded as “early retirement incentive payable” on the fund financial statements to the extent that each will be liquidated using current expendable financial resources. The entire liability is recorded on the statement of net position.

At June 30, 2015, the total liability for retirement incentives (both RIB and HRA payments) is \$31,250. The total amount is due in fiscal year 2016 and is recorded as a liability of the general fund.

During fiscal year 2015, the District advance refunded \$57,165,000 of Build America Bonds. This advance refunding was undertaken to reduce the combined total debt service payments by \$2,110,668 and resulted in an economic gain of \$1,093,350.

Financial Information

Internal Accounting and Budgetary Control

In developing the District’s accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance that the financial statements are free of any material misstatements. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year. Annual appropriations may not exceed the County Budget Commission’s official estimate of resources. The County Fiscal Officer must certify that the Board of Education’s appropriation measure, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund, function and object level for all funds. All purchase order requests must be approved by either the Superintendent or the Assistant Superintendent and certified by the CFO/Treasurer; necessary funds are then encumbered and purchase orders are released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

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

Financial Presentation

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

Government-wide financial statements: These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish those activities of the District that are governmental in nature.

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

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

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion follows the Independent Auditor's Report, providing an assessment of the District's finances for fiscal year 2015 and a discussion of current issues affecting the District in the future. The MD&A should be read in conjunction with this letter of transmittal.

Financial Highlights – Fiduciary Fund

The trust fund carried on the financial records of the District is a college scholarship private-purpose trust fund that has a net position totaling \$97,781 as of June 30, 2015. The trust fund earns interest and distributes scholarships.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Dave Yost, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2015. The opinion appears at the beginning of the financial section of this report.

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Westlake City School District for its CAFR for the fiscal year ended June 30, 2014. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The publication of this document is a significant step in documenting the District's financial position and provides both transparency and accountability to the residents of the Westlake City School District.

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

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

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

Respectfully Submitted,



Mark C. Pepera, CFO/Treasurer



Geoff Palmer, Superintendent of Schools

Westlake City School District
Principal Officials
June 30, 2015

Board of Education

Mr. Tony Falcone..... President
Mrs. Barb Leszynski Vice-President
Mr. John Finucane.....Member
Ms. Carol Winter.....Member
Mr. Thomas C. MaysMember

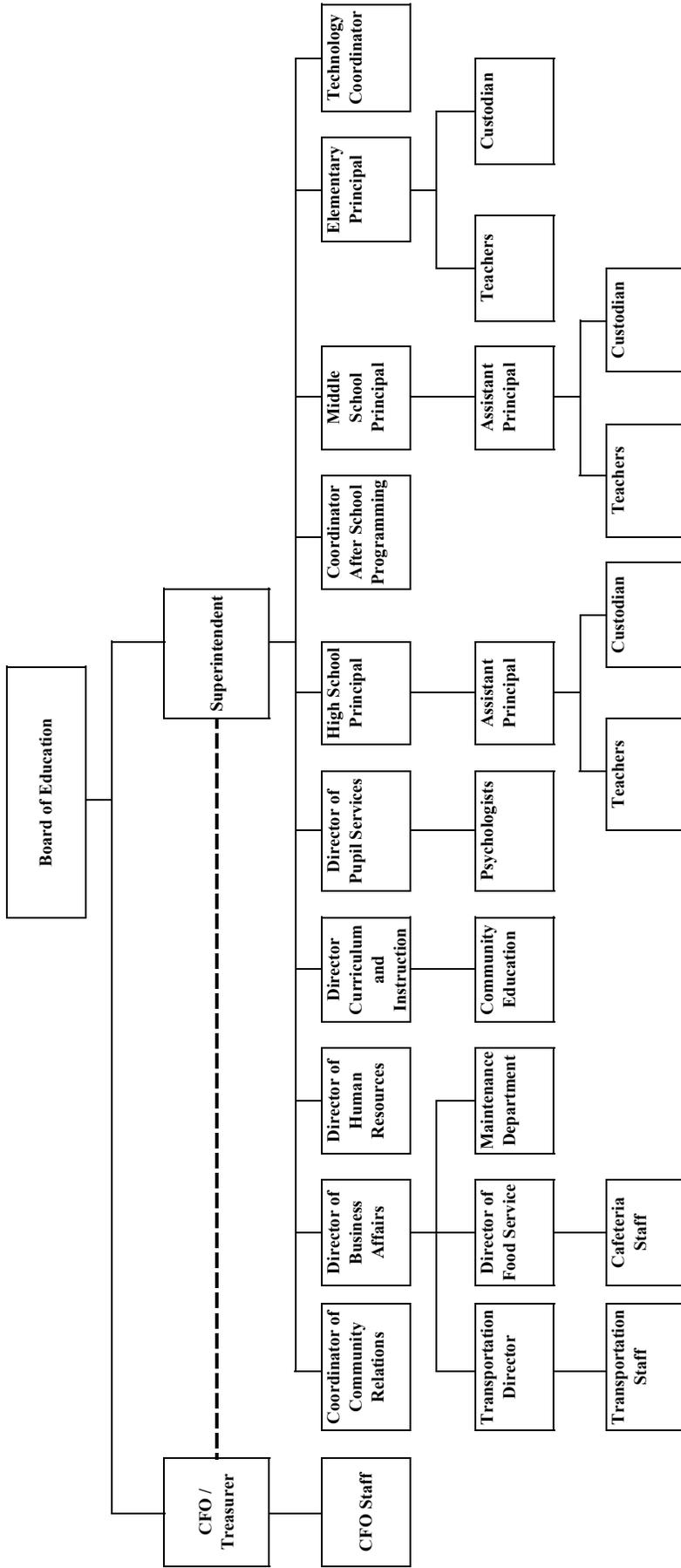
Chief Financial Officer/Treasurer

Mr. Mark C. Pepera

Executive Administration

Mr. Geoff Palmer Superintendent
Mr. David Kocevar..... Director of Business Affairs
Mrs. Kathi Maxwell Director of Curriculum and Instruction
Mr. Brady Sheets.....Director of Human Resources
Mrs. Stephanie Morgan.....Director of Pupil Services

Westlake City School District Organizational Chart





Government Finance Officers Association

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

Presented to

**Westlake City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio, as of June 30, 2015, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the District adopted the provisions of Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 17, 2015

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

The management's discussion and analysis of the Westlake City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- In total, net position of governmental activities increased \$1,997,559 which represents an 8.16% increase from 2014 as restated in Note 3.A.
- General revenues accounted for \$56,024,530 in revenue or 89.62% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions accounted for \$6,491,243 or 10.38% of total revenues of \$62,515,773.
- The District had \$60,518,214 in expenses related to governmental activities; only \$6,491,243 of these expenses was offset by program specific charges for services and sales and operating grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$56,024,530 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and bond retirement fund. The general fund had \$53,375,358 in revenues and other financing sources and \$50,137,767 in expenditures and other financing uses. During fiscal 2015, the general fund's fund balance increased \$3,237,591 from a balance of \$18,810,596 to \$22,048,187.
- The bond retirement fund had \$70,239,426 in revenues and other financing sources and \$69,344,011 in expenditures and other financing uses. During fiscal 2015, the bond retirement fund's fund balance increased \$895,415 from \$6,524,247 to \$7,419,662.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Reporting the District as a Whole

Statement of net position and the statement of activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 13. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the bond retirement fund.

Governmental Funds

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

Reporting the District's Fiduciary Responsibilities

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2015 and 2014. The net position at June 30, 2014 has been restated as described in Note 3.A.

	Net Position	
	Governmental Activities 2015	Restated Governmental Activities 2014
<u>Assets</u>		
Current and other assets	\$ 75,570,088	\$ 76,454,688
Capital assets, net	<u>118,096,352</u>	<u>120,757,197</u>
Total assets	<u>193,666,440</u>	<u>197,211,885</u>
<u>Deferred outflows of resources</u>		
Unamortized deferred charges	1,337,151	833,523
Pension	<u>4,996,025</u>	<u>4,247,001</u>
Total deferred outflows	<u>6,333,176</u>	<u>5,080,524</u>
<u>Liabilities</u>		
Current liabilities	7,585,925	8,970,337
Long-term liabilities:		
Due within one year	3,012,759	5,500,042
Due in more than one year:		
Net pension liability	71,317,862	84,724,969
Other amounts	<u>91,905,051</u>	<u>92,197,788</u>
Total liabilities	<u>173,821,597</u>	<u>191,393,136</u>
<u>Deferred inflows of resources</u>		
Property taxes	35,779,063	35,371,484
Pensions	<u>12,873,608</u>	<u>-</u>
Total deferred inflows	<u>48,652,671</u>	<u>35,371,484</u>
<u>Net Position</u>		
Net investment in capital assets	32,047,648	32,611,481
Restricted	5,985,512	5,924,425
Unrestricted (deficit)	<u>(60,507,812)</u>	<u>(63,008,117)</u>
Total net position (deficit)	<u>\$ (22,474,652)</u>	<u>\$ (24,472,211)</u>

**WESTLAKE CITY SCHOOL DISTRICT
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During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

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As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, for governmental activities from \$56,005,757 to (\$24,472,211).

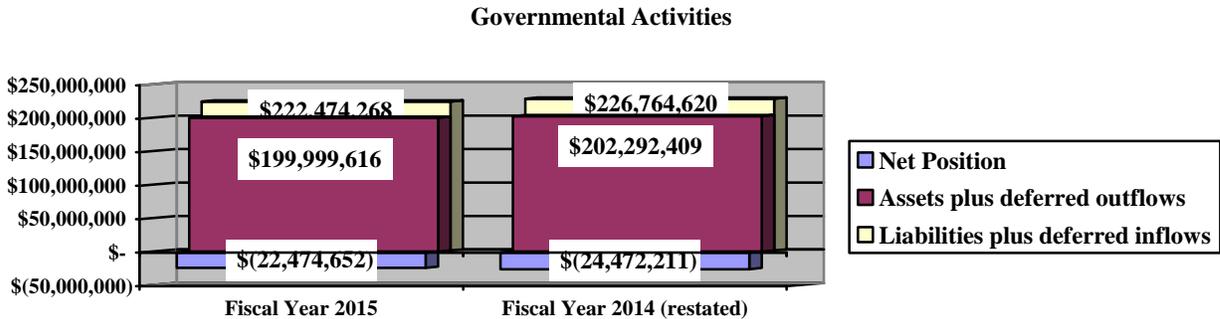
The decrease in capital assets is due to the completion of the construction project in fiscal year 2014 which began back in fiscal year 2011. A full year of depreciation on the new construction project took place in fiscal year 2015. The decrease in current liabilities is due to a decrease in contracts payable as the construction project was completed by the end of fiscal year 2014. The decrease in long term liabilities is due to the payment of bonds in the current fiscal year coupled with the refunding of the Series 2010 Building America Bonds (BABs).

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2015, the District's liabilities plus deferred inflows exceeded assets plus deferred outflows by \$22,474,652. Of this total, \$5,985,512 is restricted in use.

At year-end, capital assets represented 60.98% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks and library books. Net position invested in capital assets at June 30, 2015, was \$32,047,648. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$5,985,512, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$60,507,812.

The graph below illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2015 and 2014.



**WESTLAKE CITY SCHOOL DISTRICT
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The table below shows the change in net position for fiscal years 2015 and 2014.

<u>Revenues</u>	Governmental Activities <u>2015</u>	Governmental Activities <u>2014</u>
Program revenues:		
Charges for services and sales	\$ 2,343,747	\$ 2,235,477
Operating grants and contributions	4,147,496	4,603,556
General revenues:		
Property taxes	45,738,535	50,811,808
Payment in lieu of taxes	227,500	-
Grants and entitlements	9,752,076	9,492,994
Investment earnings	169,939	175,372
Miscellaneous	<u>136,480</u>	<u>367,788</u>
Total revenues	<u>62,515,773</u>	<u>67,686,995</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	22,211,994	24,689,245
Special	7,246,667	7,199,739
Vocational	1,000,860	916,454
Adult/continuing	3,275	12,034
Other	1,565,581	1,707,338
Support services:		
Pupil	3,588,053	3,900,942
Instructional staff	1,732,345	2,063,238
Board of education	46,916	50,915
Administration	2,744,778	3,154,314
Fiscal	1,302,611	1,450,781
Business	504,915	490,493
Operations and maintenance	5,425,118	5,435,449
Pupil transportation	3,968,862	4,186,528
Central	319,218	307,709
Operation of non-instructional services:		
Food service operations	1,215,531	1,283,386
Other non-instructional services	1,305,906	1,117,682
Extracurricular activities	1,451,391	1,624,770
Interest and fiscal charges	<u>4,884,193</u>	<u>5,167,269</u>
Total expenses	<u>60,518,214</u>	<u>64,758,286</u>
Change in net position	1,997,559	2,928,709
Net position at beginning of year (restated)	<u>(24,472,211)</u>	<u>N/A</u>
Net position at end of year	<u>\$ (22,474,652)</u>	<u>\$ (24,472,211)</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$4,247,001 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$3,042,668.

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$ 60,518,214
Pension expense under GASB 68	(3,042,668)
2015 contractually required contributions	<u>4,325,191</u>
Adjusted 2015 program expenses	61,800,737
Total 2014 program expenses under GASB 27	<u>64,758,286</u>
Decrease in program expenses not related to pension	<u>\$ (2,957,549)</u>

Net position of the District's governmental activities increased \$1,997,559. Total governmental expenses of \$60,518,214 were offset by program revenues of \$6,491,243 and general revenues of \$56,024,530. Program revenues supported 10.73% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 88.76% of total governmental revenue. Tax revenue decreased due to a decrease in the amount of delinquent taxes available at fiscal year-end 2015 versus 2014 as reported by the Cuyahoga County Fiscal Officer. The District had delinquent taxes of \$1,535,425, \$4,687,366 and \$2,894,618 at June 30, 2015, 2014 and 2013, respectively. The fluctuations in these amounts caused the reported decrease for fiscal year 2015 in tax revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$32,028,377 or 52.92% of total governmental expenses for fiscal 2015. Instruction expenses decreased \$2,496,433, or 7.23%, from fiscal year 2014 primarily due to decreased cost related to regular instruction. Regular instruction expenses decreased \$2,477,251 from fiscal year 2014 due to cost-control measures and significant retirements in prior years due to the Districts early retirement incentive program.

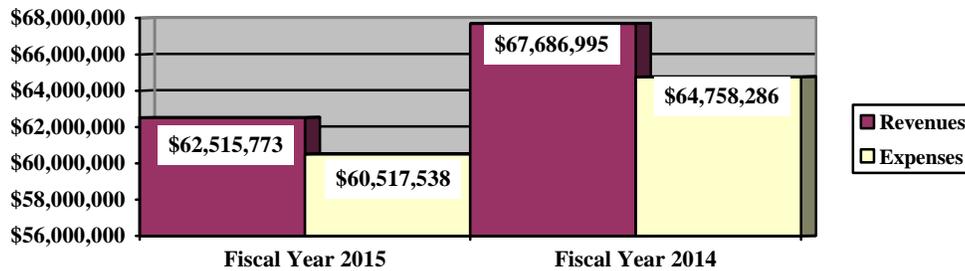
The decrease in property taxes of 9.98%, coupled with expenses decreasing about 6.55% over the prior year still allowed the increase in change in net position. The decrease in expenses is primarily due to a decrease in instruction related expenses. The District has worked to control instruction costs through retirement incentives and other measures.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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The graph below presents the District's governmental activities revenue and expenses for fiscal year 2015 and 2014.

Governmental Activities - Revenues and Expenses



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

Governmental Activities

	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>
Program expenses				
Instruction:				
Regular	\$ 22,211,994	\$ 21,666,711	\$ 24,689,245	\$ 24,309,946
Special	7,246,667	6,474,152	7,199,739	6,509,087
Vocational	1,000,860	998,317	916,454	914,709
Adult/continuing	3,275	(28,911)	12,034	(16,048)
Other	1,565,581	1,270,855	1,707,338	1,377,517
Support services:				
Pupil	3,588,053	3,415,606	3,900,942	3,624,375
Instructional staff	1,732,345	1,660,251	2,063,238	1,942,629
Board of education	46,916	46,916	50,915	50,915
Administration	2,744,778	2,742,844	3,154,314	3,147,311
Fiscal	1,302,611	1,302,611	1,450,781	1,450,781
Business	504,915	504,915	490,493	490,493
Operations and maintenance	5,425,118	5,362,836	5,435,449	5,385,199
Pupil transportation	3,968,862	3,681,613	4,186,528	3,847,578
Central	319,218	319,218	307,709	295,109
Operation of non-instructional services:				
Food service operations	1,215,531	42,557	1,283,386	115,516
Other non-instructional services	1,305,906	89,422	1,117,682	(22,934)
Extracurricular activities	1,451,391	762,977	1,624,770	960,357
Interest and fiscal charges	4,884,193	3,714,081	5,167,269	3,536,713
Total expenses	<u>\$ 60,518,214</u>	<u>\$ 54,026,971</u>	<u>\$ 64,758,286</u>	<u>\$ 57,919,253</u>

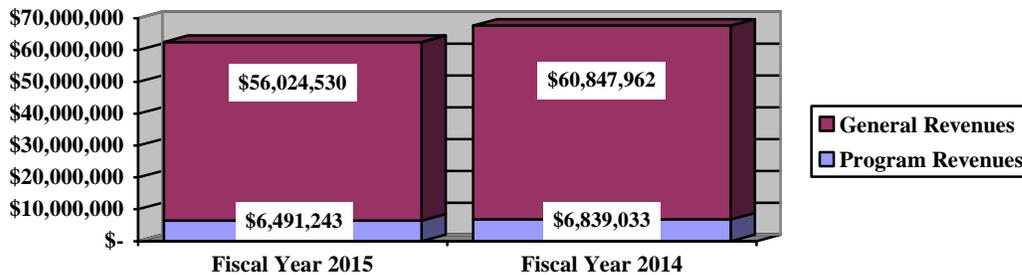
**WESTLAKE CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The dependence upon tax and other general revenues for governmental activities is apparent, as 94.86% of instruction activities are supported through taxes, grants and entitlements and other general revenues. For all governmental activities, general revenue support is 89.27%. Taxes and unrestricted grants and entitlements from the State of Ohio, as a whole, are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2015 and 2014.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on page 22) reported a combined fund balance of \$30,434,599, which is higher than last year's total of \$26,952,901. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2015 and 2014.

	Fund Balance June 30, 2015	Fund Balance June 30, 2014	Change
General	\$ 22,048,187	\$ 18,810,596	\$ 3,237,591
Bond Retirement	7,419,662	6,524,247	895,415
Other Governmental	<u>966,750</u>	<u>1,618,058</u>	<u>(651,308)</u>
Total	<u>\$ 30,434,599</u>	<u>\$ 26,952,901</u>	<u>\$ 3,481,698</u>

General Fund

The District's general fund balance increased \$3,237,591. An analysis of the general fund's revenues and expenditures is presented on the following page.

Bond Retirement Fund

The bond retirement fund had \$70,239,426 in revenues and other financing sources and \$69,344,011 in expenditures and other financing uses. During fiscal 2015, the bond retirement fund's fund balance increased \$895,415 from \$6,524,247 to \$7,419,662. During fiscal year 2015, the District received \$1.17 million in subsidies from the federal government to help offset debt service expenses related to the issuance of BABs and QSCBs. During fiscal year 2015, the District advance refunded \$57,165,000 in BABs and restructured \$2,830,000 in Series 2010 serial bonds. These measures were undertaken to reduce future debt service expenditures.

**WESTLAKE CITY SCHOOL DISTRICT
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Other Governmental Funds

The fund balances of the other governmental funds decreased 40.25% from the prior year. This decrease was primarily due to a decrease in the fund balance of the building fund in the amount of \$805,848 as expenditures were made on contracts and retainage related to the construction project that was completed in fiscal year 2014. The fund balance of the building fund was \$240,156 at June 30, 2015, down from \$1,046,004 at June 30, 2014. The building fund is reported as a nonmajor governmental fund for fiscal year 2015 (see Note 3.B).

The table that follows assists in illustrating the financial activities of the general fund.

	2015 <u>Amount</u>	2014 <u>Amount</u>	Increase (Decrease)	Percentage Change
<u>Revenues</u>				
Taxes and payments in lieu of taxes	\$ 41,887,032	\$ 41,811,338	\$ 75,694	0.18 %
Tuition	839,728	676,943	162,785	24.05 %
Earnings on investments	158,269	164,016	(5,747)	(3.50) %
Intergovernmental	9,387,028	9,178,712	208,316	2.27 %
Other revenues	<u>672,943</u>	<u>788,265</u>	<u>(115,322)</u>	(14.63) %
Total	<u>\$ 52,945,000</u>	<u>\$ 52,619,274</u>	<u>\$ 325,726</u>	0.62 %
<u>Expenditures</u>				
Instruction	\$ 28,950,510	\$ 30,840,475	(1,889,965)	(6.13) %
Support services	18,512,203	19,468,240	(956,037)	(4.91) %
Other non-instructional services	580,433	492,311	88,122	17.90 %
Extracurricular activities	1,080,697	1,203,169	(122,472)	(10.18) %
Facilities acquisition and construction	476,536	542,367	(65,831)	(12.14) %
Capital outlay	430,188	-	430,188	100.00 %
Debt service	<u>97,200</u>	<u>84,675</u>	<u>12,525</u>	14.79 %
Total	<u>\$ 50,127,767</u>	<u>\$ 52,631,237</u>	<u>\$ (2,503,470)</u>	(4.76) %

Tax revenue remained comparable to the prior year increasing less than one percent. Intergovernmental revenues increased due to more funding being received by the District from the State of Ohio. Tuition revenue increased due to increased open enrollment activity. Other revenues decreased primarily due to a decrease in refunds and reimbursements received in fiscal year 2015 versus 2014.

Instruction expenditures decreased approximately \$1.890 million due to a decrease in regular instruction costs. This decrease is the result of cost cutting measures implemented by the District including retirement incentives. Support services decreased \$0.956 million due primarily to a decrease in administrative expenditures resulting from the same retirement incentives and cost cutting measures. The District entered into a new capital lease agreement in fiscal year 2015 for the acquisition of copiers. All other expenditure items remained consistent with the prior year or were immaterial in variance amount.

**WESTLAKE CITY SCHOOL DISTRICT
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General Fund Budgeting Highlights

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

During the course of fiscal 2015 the District amended its general fund budget several times. For the general fund, final budgeted revenues and other financing sources were \$47,979,702, which is higher than original budgeted revenues and other financing sources estimate of \$46,810,519. Actual revenues and other financing sources for fiscal 2015 were \$50,938,869 this is an increase of \$2,959,167 from final budgeted revenues and other financing sources which is primarily due to conservative budgeting of property tax receipts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$55,567,726 were increased to \$55,977,932 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2015 totaled \$54,287,589, which was \$1,690,343 lower than the final budget appropriations. The District is conservative in the budgeting of expenditures and had implemented a budget reduction plan in January 2013 which was fully effective for fiscal year 2014.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2015, the District had \$118,096,352 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks and library books. This entire amount is reported in governmental activities. The following table shows fiscal 2015 balances compared to 2014:

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

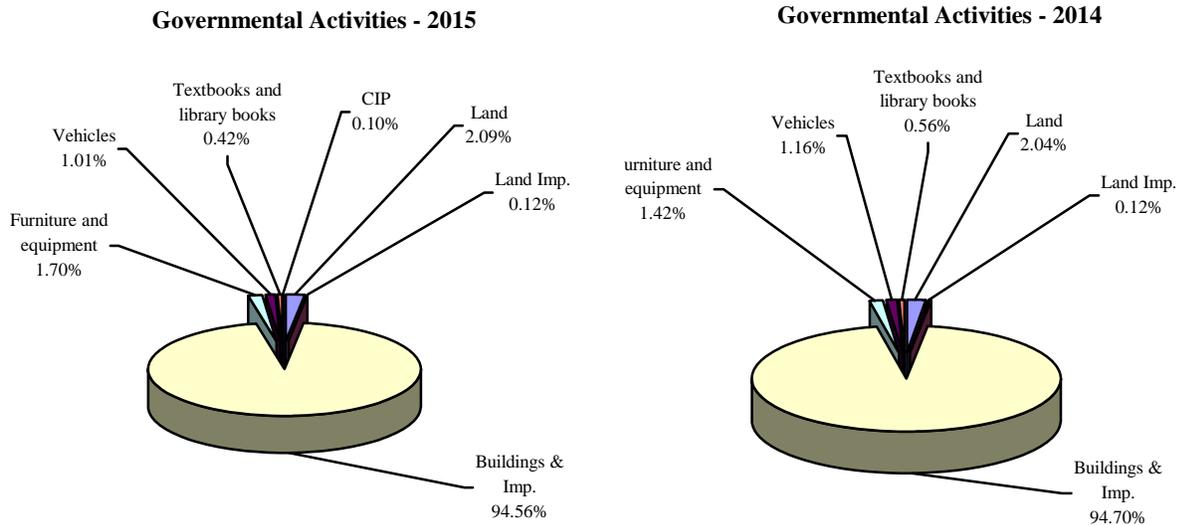
	Governmental Activities	
	2015	2014
Land	\$ 2,468,751	\$ 2,468,751
Construction in progress	122,167	-
Land improvements	140,847	148,088
Buildings and improvements	111,670,872	114,356,858
Furniture and equipment	2,003,405	1,696,724
Vehicles	1,195,607	1,405,631
Textbooks and library books	494,703	681,145
Total	\$ 118,096,352	\$ 120,757,197

The overall decrease in capital assets of \$2,660,845 is primarily due to depreciation expense of \$3,517,468 exceeding capital outlays of \$869,546 and disposals of \$12,923 (net of accumulated depreciation) in the fiscal year. Capital outlays decreased as the District completed construction projects in fiscal year 2014 financed by the 2010 school improvement bond issue.

**WESTLAKE CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The graphs below present the District's capital assets for fiscal 2015 and fiscal 2014.



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

Debt Administration

At June 30, 2015 the District had \$83,600,000 in general obligation bonds (the issue is comprised of current issue bonds, term bonds, sinking fund bonds and capital appreciation bonds) outstanding. Of this total, \$2,370,000 is due within one year and \$81,230,000 is due in more than one year. The following table summarizes the bonds outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2015</u>	Governmental Activities <u>2014</u>
Current interest bonds	\$ 48,945,000	\$ 19,875,000
Term bonds	22,490,000	57,165,000
Sinking fund bonds	11,260,000	11,260,000
Capital appreciation bonds	<u>3,745,375</u>	<u>3,265,306</u>
Total	<u>\$ 86,440,375</u>	<u>\$ 91,565,306</u>

The District made \$4,140,000 in principal payments on the current interest bonds during fiscal year 2015. The capital appreciation bonds accreted \$480,069 in interest during 2015 and none of the capital appreciation bonds matured during the fiscal year. During fiscal year 2015, the District advance refunded \$57,165,000 of the Series 2010 BABs and restructured \$2,830,000 of the Series 2010 serial bonds.

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

**WESTLAKE CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Current Financial Related Activities

The Westlake Board of Education and administration closely monitor revenues and expenditures in accordance with its financial forecast and the School District Continuous Improvement Plan (CIP), which provides a roadmap for District achievement and performance measurement. This monitoring process was recently affirmed by the rating agencies of Moody's and Standard and Poor's.

The financial future of the District is not without its internal as well as external challenges. In the foreseeable future, the internal challenge will remain as long as the District is required to rely on local property taxes to fund its operations. External challenges continue to evolve as the district absorbs additional unfunded mandates, battles with a sluggish economy and struggles with the State of Ohio who has yet to determine an adequate solution to the State's educational funding system.

The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient". In the summer of 2010, the Legislature approved HB1 which contained a major educational reform package proposed by the Governor. Due to funding constraints being experienced by the State, the new funding model was to be phased-in over several years. In the summer of 2011, a new administration emerged and HB153, the Biennial Budget was passed. Most recently the legislature passed HB136 which contains yet another funding model and new initiatives. At this time, the District is unable to determine with certainty what effect this new funding model will ultimately have on its financial future and subsequently its operations.

The District has not projected any meaningful growth in State revenues due to the economy and a going concern regarding the new State funding model and legislation which dictates the redistribution and/or accelerated phase-out of state-reimbursed personal property taxes. With approximately 82.2 percent of general fund revenues being derived from local sources, one can see the significant impact these changes will have on the District and ultimately, the residential taxpayers.

While the District proportionately relies on its local property taxpayers to support its operations, the fiscal capacity and community support for the schools remains strong. The District's liquidity or the ability to meet its short-term obligations has increased somewhat from 8.52 in fiscal year 2014 to 10.95 in fiscal year 2015, and means the District is in a good position to meet current obligations in having enough assets to cover its liabilities. Another important financial measure is solvency. The District's solvency ratio has slipped to .10 from .46 in FY14 primarily due to the increased net pension liability which was required by GASB 68. In addition, the debt ratio for the District remained relatively low at .89 as compared to .54 in 2014 indicating the district is not heavily reliant on debt or leveraging additional debt to facilitate its operations.

As previously stated the community support for the schools remains solid. In May of 2000, the Westlake voters had passed a 5.5 mill replacement levy, which helped fund the general operations and permanent improvements of the District over the last several years. In addition, the community overwhelmingly passed a bond issue in late 2002 to support the construction of a new district Performing Arts center. In May of 2006, the community passed a 6.9 mill continuing levy for general operations. Most recently, in May of 2010, the community overwhelmingly passed a 3.4 mill bond issue to support phase I of its capital improvement plan.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

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

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

Contacting the District's Financial Management

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

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

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

STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	\$ 27,161,716
Receivables:	
Property taxes	47,678,745
Accounts	15,132
Accrued interest	38,998
Intergovernmental	661,844
Materials and supplies inventory	6,994
Inventory held for resale	6,659
Capital assets:	
Nondepreciable capital assets	2,590,918
Depreciable capital assets, net	<u>115,505,434</u>
Capital assets, net	<u>118,096,352</u>
Total assets	<u>193,666,440</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refundings	1,337,151
Pension - STRS	3,754,413
Pension - SERS	<u>1,241,612</u>
Total deferred outflows of resources	<u>6,333,176</u>
Liabilities:	
Accounts payable	332,434
Contracts payable	102,137
Retainage payable	667,553
Accrued wages and benefits payable	4,829,589
Intergovernmental payable	228,918
Pension and postemployment benefits payable	816,666
Accrued interest payable	608,628
Long-term liabilities:	
Due within one year	3,012,759
Due in more than one year:	
Net pension liability (See Note 13)	71,317,862
Other amounts due in more than one year	<u>91,905,051</u>
Total liabilities	<u>173,821,597</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	35,779,063
Pension - STRS	10,582,396
Pension - SERS	<u>2,291,212</u>
Total deferred inflows of resources	<u>48,652,671</u>
Net position:	
Net investment in capital assets	32,047,648
Restricted for:	
Capital projects	908,401
Debt service	4,195,669
Locally funded programs	147,701
State funded programs	37,042
Federally funded programs	234,723
Student activities	246,026
Other purposes	215,950
Unrestricted (deficit)	<u>(60,507,812)</u>
Total net position (deficit)	<u>\$ (22,474,652)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 22,211,994	\$ 366,573	\$ 178,710	\$ (21,666,711)
Special	7,246,667	-	772,515	(6,474,152)
Vocational	1,000,860	-	2,543	(998,317)
Adult/continuing.	3,275	19,305	12,881	28,911
Other	1,565,581	-	294,726	(1,270,855)
Support services:				
Pupil.	3,588,053	-	172,447	(3,415,606)
Instructional staff	1,732,345	-	72,094	(1,660,251)
Board of education	46,916	-	-	(46,916)
Administration.	2,744,778	-	1,934	(2,742,844)
Fiscal.	1,302,611	-	-	(1,302,611)
Business.	504,915	-	-	(504,915)
Operations and maintenance	5,425,118	62,282	-	(5,362,836)
Pupil transportation.	3,968,862	30,199	257,050	(3,681,613)
Central	319,218	-	-	(319,218)
Operation of non-instructional services:				
Food service operations	1,215,531	858,059	314,915	(42,557)
Other non-instructional services	1,305,906	538,681	677,803	(89,422)
Extracurricular activities.	1,451,391	468,648	219,766	(762,977)
Interest and fiscal charges	4,884,193	-	1,170,112	(3,714,081)
Total governmental activities	\$ 60,518,214	\$ 2,343,747	\$ 4,147,496	(54,026,971)
General revenues:				
Property taxes levied for:				
General purposes				38,970,696
Debt service.				6,767,839
Payments in lieu of taxes.				227,500
Grants and entitlements not restricted to specific programs				9,752,076
Investment earnings				169,939
Miscellaneous				136,480
Total general revenues				56,024,530
Change in net position				1,997,559
Net position at beginning of year (restated)				(24,472,211)
Net position at end of year.				\$ (22,474,652)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 19,602,498	\$ 5,836,539	\$ 1,722,679	\$ 27,161,716
Receivables:				
Property taxes	40,723,809	6,954,936	-	47,678,745
Accounts	12,294	-	2,838	15,132
Accrued interest	38,998	-	-	38,998
Intergovernmental	231,170	-	430,674	661,844
Materials and supplies inventory	3,796	-	3,198	6,994
Inventory held for resale	-	-	6,659	6,659
Total assets	<u>\$ 60,612,565</u>	<u>\$ 12,791,475</u>	<u>\$ 2,166,048</u>	<u>\$ 75,570,088</u>
Liabilities:				
Accounts payable	\$ 278,466	\$ -	\$ 53,968	\$ 332,434
Contracts payable	102,137	-	-	102,137
Retainage payable	-	-	667,553	667,553
Accrued wages and benefits payable	4,693,564	-	136,025	4,829,589
Compensated absences payable	339,251	-	25,480	364,731
Early retirement incentive payable	31,250	-	-	31,250
Intergovernmental payable	209,489	-	19,429	228,918
Pension and postemployment benefits payable	775,561	-	41,105	816,666
Total liabilities	<u>6,429,718</u>	<u>-</u>	<u>943,560</u>	<u>7,373,278</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	30,632,260	5,146,803	-	35,779,063
Delinquent property tax revenue not available	1,310,415	225,010	-	1,535,425
Intergovernmental revenue not available	168,779	-	255,738	424,517
Interest revenue not available	17,856	-	-	17,856
Miscellaneous revenue not available	5,350	-	-	5,350
Total deferred inflows of resources	<u>32,134,660</u>	<u>5,371,813</u>	<u>255,738</u>	<u>37,762,211</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	3,796	-	3,198	6,994
Restricted:				
Debt service	-	7,419,662	-	7,419,662
Capital improvements	-	-	240,848	240,848
Food service operations	-	-	254,814	254,814
Non-public schools	-	-	36,354	36,354
Special education	-	-	14,317	14,317
Targeted academic assistance	-	-	17,922	17,922
Extracurricular	-	-	246,026	246,026
Other purposes	-	-	153,271	153,271
Committed:				
Capital improvements	389,807	-	-	389,807
Health insurance	1,160,000	-	-	1,160,000
Assigned:				
Student instruction	1,916,880	-	-	1,916,880
Student and staff support	1,483,033	-	-	1,483,033
Facilities acquisition and construction	902,371	-	-	902,371
School supplies	19,203	-	-	19,203
Subsequent year appropriations	2,850,420	-	-	2,850,420
Other purposes	37,761	-	-	37,761
Unassigned	<u>13,284,916</u>	<u>-</u>	<u>-</u>	<u>13,284,916</u>
Total fund balances	<u>22,048,187</u>	<u>7,419,662</u>	<u>966,750</u>	<u>30,434,599</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 60,612,565</u>	<u>\$ 12,791,475</u>	<u>\$ 2,166,048</u>	<u>\$ 75,570,088</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2015

Total governmental fund balances		\$	30,434,599
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			118,096,352
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	1,535,425	
Accounts receivable		5,350	
Accrued interest receivable		17,856	
Intergovernmental receivable		424,517	
Total		1,983,148	1,983,148
Unamortized premiums on bonds issued are not recognized in the funds.			(4,248,666)
Unamortized deferred charges on refundings are not recognized in the funds.			1,337,151
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows and deferred outflows are not reported in the governmental funds.			
Deferred outflows - pension		4,996,025	
Deferred inflows - pension		(12,873,608)	
Net pension liability		(71,317,862)	
Total		(79,195,445)	(79,195,445)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(608,628)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(86,440,375)	
Capital lease obligations		(351,726)	
Compensated absences		(3,481,062)	
Total		(90,273,163)	(90,273,163)
Net position of governmental activities		\$	(22,474,652)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 41,659,532	\$ 7,230,944	\$ -	\$ 48,890,476
Payment in lieu of taxes	227,500	-	-	227,500
Tuition	839,728	-	-	839,728
Transportation fees	30,199	-	-	30,199
Earnings on investments	158,269	-	5,089	163,358
Charges for services	-	-	858,059	858,059
Extracurricular	111,454	-	165,039	276,493
Classroom materials and fees	241,858	-	-	241,858
Rental income	65,237	-	19,324	84,561
Contributions and donations	64,721	-	157,783	222,504
Contract services	12,849	-	-	12,849
Other local revenues	146,625	-	13,527	160,152
Intergovernmental - state	9,297,038	790,820	691,783	10,779,641
Intergovernmental - federal	89,990	1,170,112	1,619,554	2,879,656
Total revenues	<u>52,945,000</u>	<u>9,191,876</u>	<u>3,530,158</u>	<u>65,667,034</u>
Expenditures:				
Current:				
Instruction:				
Regular	20,092,118	-	140,459	20,232,577
Special	6,677,098	-	562,719	7,239,817
Vocational	948,826	-	-	948,826
Adult/continuing	-	-	3,125	3,125
Other	1,232,468	-	302,879	1,535,347
Support services:				
Pupil	3,450,467	-	159,654	3,610,121
Instructional staff	1,627,460	-	70,135	1,697,595
Board of education	46,916	-	-	46,916
Administration	2,714,440	85	1,987	2,716,512
Fiscal	1,183,988	102,706	-	1,286,694
Business	417,487	-	-	417,487
Operations and maintenance	5,004,548	-	-	5,004,548
Pupil transportation	3,749,652	-	-	3,749,652
Central	317,245	-	-	317,245
Operation of non-instructional services:				
Food service operations	-	-	1,097,093	1,097,093
Other non-instructional services	580,433	-	762,257	1,342,690
Extracurricular activities	1,080,697	-	281,436	1,362,133
Facilities acquisition and construction	476,536	-	809,722	1,286,258
Capital outlay	430,188	-	-	430,188
Debt service:				
Principal retirement	78,462	4,140,000	-	4,218,462
Interest and fiscal charges	18,738	3,871,367	-	3,890,105
Bond issuance costs	-	518,259	-	518,259
Total expenditures	<u>50,127,767</u>	<u>8,632,417</u>	<u>4,191,466</u>	<u>62,951,650</u>
Excess of revenues over (under) expenditures	<u>2,817,233</u>	<u>559,459</u>	<u>(661,308)</u>	<u>2,715,384</u>
Other financing sources (uses):				
Premium on refunding bonds issued	-	2,517,550	-	2,517,550
Issuance of refunding bonds	-	58,530,000	-	58,530,000
Payment to refunded bond escrow agent	-	(60,711,594)	-	(60,711,594)
Sale of capital assets	170	-	-	170
Transfers in	-	-	10,000	10,000
Transfers (out)	(10,000)	-	-	(10,000)
Capital lease transaction	430,188	-	-	430,188
Total other financing sources (uses)	<u>420,358</u>	<u>335,956</u>	<u>10,000</u>	<u>766,314</u>
Net change in fund balances	3,237,591	895,415	(651,308)	3,481,698
Fund balances at beginning of year	<u>18,810,596</u>	<u>6,524,247</u>	<u>1,618,058</u>	<u>26,952,901</u>
Fund balances at end of year	<u>\$ 22,048,187</u>	<u>\$ 7,419,662</u>	<u>\$ 966,750</u>	<u>\$ 30,434,599</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds		\$	3,481,698
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>			
Governmental funds report capital outlays as expenditures. However, the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.			
Capital asset additions		\$ 869,546	
Current year depreciation		<u>(3,517,468)</u>	
Total			(2,647,922)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.			
			(12,923)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Delinquent property taxes		(3,151,941)	
Earnings on investments		7,794	
Miscellaneous revenues		5,350	
Intergovernmental		<u>(12,464)</u>	
Total			(3,151,261)
Repayment of bond and capital lease principal is an expenditure in the funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:			
Bonds		4,140,000	
Capital leases		<u>78,462</u>	
Total			4,218,462
Issuance of bonds and capital leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as revenue as they increase liabilities on the statement of net position.			
Bonds		(58,530,000)	
Capital leases		<u>(430,188)</u>	
Total			(58,960,188)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing source in the funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:			
Bonds refunded		59,995,000	
Deferred charges on debt refundings		<u>716,594</u>	
Total			60,711,594
Premiums on the issuance of bonds are recorded as other financing sources in the funds; however, in the statement of activities, the premiums are amortized over the life of the issuance.			
			(2,517,550)
In the statement of activities, interest is accrued on outstanding bonds, whereas in the funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:			
Increase in accrued interest payable		(177,119)	
Accreted interest on capital appreciation bonds		(480,069)	
Amortization of bond premiums		394,325	
Amortization of deferred charges on debt refundings		<u>(212,966)</u>	
Total			(475,829)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.			
			68,955
Contractually required pension contributions are reported as expenditures in the funds; however, the statement of activities reports these amounts as deferred outflows.			
			4,325,191
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.			
			<u>(3,042,668)</u>
Change in net position of governmental activities		<u>\$</u>	<u>1,997,559</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 36,837,197	\$ 37,757,277	\$ 40,085,972	\$ 2,328,695
Tuition.	297,428	304,857	323,659	18,802
Transportation fees.	27,752	28,445	30,199	1,754
Earnings on investments	90,906	93,176	98,923	5,747
Classroom materials and fees	10,421	10,681	11,340	659
Rental income	57,234	58,664	62,282	3,618
Contract services.	11,808	12,103	12,849	746
Other local revenues	227,428	233,109	247,486	14,377
Intergovernmental - state	8,690,748	8,907,816	9,457,209	549,393
Intergovernmental - federal	82,697	84,762	89,990	5,228
Total revenues	<u>46,333,619</u>	<u>47,490,890</u>	<u>50,419,909</u>	<u>2,929,019</u>
Expenditures:				
Current:				
Instruction:				
Regular	22,554,204	21,516,247	21,217,015	299,232
Special.	6,613,723	6,745,444	6,732,243	13,201
Vocational.	886,372	1,003,683	997,786	5,897
Other.	2,987,171	2,731,964	2,590,099	141,865
Support services:				
Pupil.	4,019,366	4,014,712	3,960,712	54,000
Instructional staff	1,879,745	1,868,413	1,747,454	120,959
Board of education	39,644	45,200	44,855	345
Administration.	2,903,286	2,974,663	2,926,446	48,217
Fiscal	1,379,152	1,382,965	1,335,416	47,549
Business	613,698	571,332	549,367	21,965
Operations and maintenance.	4,816,726	5,572,836	5,338,131	234,705
Pupil transportation	4,160,037	4,275,057	4,095,945	179,112
Central.	345,502	354,643	326,640	28,003
Other operation of non-instructional services	47,370	47,145	45,421	1,724
Extracurricular activities.	893,651	895,427	733,817	161,610
Facilities acquisition and construction	888,750	1,886,320	1,626,477	259,843
Total expenditures	<u>55,028,397</u>	<u>55,886,051</u>	<u>54,267,824</u>	<u>1,618,227</u>
Excess of revenues (under) expenditures	<u>(8,694,778)</u>	<u>(8,395,161)</u>	<u>(3,847,915)</u>	<u>4,547,246</u>
Other financing sources (uses):				
Refund of prior year's expenditures	442,631	453,687	481,668	27,981
Refund of prior year's receipts.	(50)	(42,992)	(1,905)	41,087
Transfers in	34,113	34,965	37,122	2,157
Transfers (out).	(460,000)	(13,889)	(10,000)	3,889
Advances (out)	(35,000)	(35,000)	(7,860)	27,140
Other uses.	(44,279)	-	-	-
Sale of capital assets	156	160	170	10
Total other financing sources (uses)	<u>(62,429)</u>	<u>396,931</u>	<u>499,195</u>	<u>102,264</u>
Net change in fund balance	(8,757,207)	(7,998,230)	(3,348,720)	4,649,510
Fund balance at beginning of year	14,171,316	14,171,316	14,171,316	-
Prior year encumbrances appropriated	3,981,142	3,981,142	3,981,142	-
Fund balance at end of year	<u>\$ 9,395,251</u>	<u>\$ 10,154,228</u>	<u>\$ 14,803,738</u>	<u>\$ 4,649,510</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 100,781	\$ 254,614
Total assets.	100,781	\$ 254,614
Liabilities:		
Accounts payable.	3,000	\$ 1,332
Intergovernmental payable	-	506
Due to students.	-	252,776
Total liabilities	3,000	\$ 254,614
Net position:		
Held in trust for scholarships	97,781	
Total net position.	\$ 97,781	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 88
Gifts and contributions	14,629
Total additions	14,717
 Deductions:	
Scholarships awarded	17,500
Change in net position	(2,783)
Net position at beginning of year	100,564
Net position at end of year	\$ 97,781

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Westlake City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under a locally-elected five-member Board form of government.

The District is located in Westlake, Ohio, Cuyahoga County. The Board of Education controls the District's seven instructional/support facilities. The District employs (full- and part-time) 275 professional staff members, 248 non-teaching and support staff employees, and 21 administrators to who provide services to 4,059 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

RELATED ORGANIZATION

Porter Public Library

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

JOINTLY GOVERNED ORGANIZATIONS

North Coast Council

The District is a member of the North Coast Council (NCC) which was formed when the Lakeshore Northeast Ohio Computer Association and the Lake Erie Educational Computer Association merged during fiscal year 2012. NCC was organized for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among 34 member districts. Each of the governments of these schools supports the NCC based on a per pupil charge. The District contributed \$113,553 to NCC during fiscal year 2015. NCC is governed by a nine member Board of Directors consisting of superintendents from member school districts. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Cuyahoga County, who serves as fiscal agent, at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization comprised of one hundred fifty-seven member 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 nine 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 2015, the District paid \$5,309 to the Council for annual membership and other fees. Financial information can be obtained by contacting William J. Zelei, the Director of the Ohio Schools Council at 6393 Rockside Road, Suite 377, Independence, Ohio 44131.

The District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

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

INSURANCE PURCHASING POOL

Suburban Health Consortium

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal, a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from Mr. Todd Puster, Treasurer of the Orange City School District (the "Fiscal Agent") at 32000 Chagrin Blvd., Pepper Pike, Ohio 44124-5974.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

The following are the District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The bond retirement fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets, not reported in the building fund, and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The District has no proprietary funds.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. 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 District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for resources belonging to the student bodies of the various schools and for monies collected on behalf of and disbursed to the Ohio High School Athletic Association.

C. Basis of Presentation and Measurement Focus

The District's basic financial statements consist of government-wide statements, including a statement of net position 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 position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements distinguish between those activities that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. Fiduciary funds are reported by fund type.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the private-purpose trust fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. 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 inflows, and in the presentation of expenses versus expenditures.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources have been reported for the following two items related the District's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the District's contributions to the pension systems subsequent to the measurement date. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

The District also reports a deferred inflow of resources for the net difference between projected and actual earnings on pension plan investments related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

E. Budgetary Process

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

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

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

F. Cash and Cash Equivalents

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

During fiscal year 2015, investments were limited to Federal Home Loan Bank (FHLB) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, commercial paper, U.S. government money market mutual funds and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value which is based on quoted market prices.

The District has invested funds in STAR Ohio during fiscal year 2015. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share's price which is the price the investment could be sold for on June 30, 2015.

Under existing Ohio statutes, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2015 amounted to \$158,269 which includes \$39,803 assigned from other District funds.

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

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

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when received. Inventories are accounted for using the consumption method. Fund balance has been presented as nonspendable equal to the balance of the inventory at fiscal year-end.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

All reported capital assets except land and construction in progress 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:

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

I. Interfund Loans

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivables/payables”. These amounts are eliminated in the statement of net position. The District had no interfund loans receivables/payables at June 30, 2015.

J. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

K. Compensated Absences

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2015, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized as a liability in the fund financial statements when due.

M. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service operations and local grants.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

N. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. The Board has, by resolution, authorized the Treasurer to assign fund balances for encumbrances outstanding at year-end.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

O. Estimates

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

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2015.

R. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between governmental funds are eliminated for reporting on the government-wide statement of activities. Interfund services provided and used are not eliminated for reporting on the government-wide statement of activities.

S. Nonpublic Schools

Within the District boundaries, there are various nonpublic schools. Current State legislation provides funding to these non-public schools. These monies are received and disbursed by the District on behalf of the non-public schools by the Treasurer of the District, as directed by the non-public schools. The receipt and expenditure of these state monies by the District are reflected in a nonmajor governmental fund for financial reporting purposes.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2015, the District has implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27”, GASB Statement No. 69 “Government Combinations and Disposals of Government Operations”, and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68”.

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the District.

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the District’s pension plan disclosures, as presented in Note 13 to the financial statements, and added required supplementary information which is presented on pages 71 - 77.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

A net position restatement is required in order to implement GASB Statement No 68 and 71. The governmental activities at July 1, 2014 have been restated as follows:

	Governmental Activities
Net position as previously reported	\$ 56,005,757
Deferred outflows - payments subsequent to measurement date	4,247,001
Net pension liability	(84,724,969)
Restated net position at July 1, 2014	\$ (24,472,211)

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Fund Reclassification

For reporting at June 30, 2015, the building fund is no longer considered a major governmental fund. As such, the fund will be reclassified from a major governmental fund to a nonmajor governmental fund. The fund reclassification had the following effect on fund balances as previously reported.

	Building	Nonmajor Governmental Funds
Fund balance as previously reported	\$ 1,046,004	\$ 572,054
Fund reclassification due to major fund reporting	(1,046,004)	1,046,004
Restated fund balance at July 1, 2014	\$ -	\$ 1,618,058

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

A. Deposits with Financial Institutions

At June 30, 2015, the carrying amount of all District deposits was \$4,724,058. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2015, \$5,014,365 of the District's bank balance of \$5,514,365 was exposed to custodial risk as discussed below, while \$500,000 was covered by the Federal Deposit Insurance Corporation.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of June 30, 2015, the District had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater Than 24 months
FHLB	\$ 5,611,913	\$ -	\$ -	\$ 400,189	\$ 2,399,992	\$ 2,811,732
FFCB	1,374,230	-	-	-	-	1,374,230
FHLMC	2,328,640	-	130,090	-	795,246	1,403,304
FNMA	8,464,477	2,019,616	1,747,426	1,929,518	-	2,767,917
Commercial paper	4,888,228	4,644,130	244,098	-	-	-
U.S government money market mutual fund	19,888	19,888	-	-	-	-
STAR Ohio	105,677	105,677	-	-	-	-
Total	<u>\$ 22,793,053</u>	<u>\$ 6,789,311</u>	<u>\$ 2,121,614</u>	<u>\$ 2,329,707</u>	<u>\$ 3,195,238</u>	<u>\$ 8,357,183</u>

The weighted average maturity of investments is 1.35 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less. The District's investment policy also requires that the investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk: The District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio and the U.S. government money market mutual funds were rated AAAM by Standard & Poor's. The commercial paper was rated P-1 and A-1 by Moody's and Standard & Poor's, respectively. The District has no investment policy that would further limit its investment choices.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2015:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 5,611,913	24.62
FFCB	1,374,230	6.03
FHLMC	2,328,640	10.22
FNMA	8,464,477	37.13
Commercial paper	4,888,228	21.45
U.S government money market mutual fund	19,888	0.09
STAR Ohio	<u>105,677</u>	<u>0.46</u>
	<u>\$ 22,793,053</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2015:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 4,724,058
Investments	<u>22,793,053</u>
Total	<u>\$ 27,517,111</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 27,161,716
Private-purpose trust fund	100,781
Agency fund	<u>254,614</u>
Total	<u>\$ 27,517,111</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2015, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Nonmajor governmental funds	<u>\$ 10,000</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

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

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2015 represent the collection of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2015 represent the collection of calendar year 2014 taxes. Public utility real and personal property taxes received in calendar year 2015 became a lien on December 31, 2013, were levied after April 1, 2014, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2015 operations. The amount available as an advance at June 30, 2015 was \$8,781,134 in the general fund and \$1,583,123 in the bond retirement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2014 was \$7,207,574 in the general fund and \$1,299,647 in the bond retirement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2015 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 inflows.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2015 taxes were collected are:

	2014 Second Half Collections		2015 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,330,437,240	98.22	\$ 1,340,030,420	98.15
Public utility personal	<u>24,094,940</u>	<u>1.78</u>	<u>25,237,460</u>	<u>1.85</u>
Total	<u>\$ 1,354,532,180</u>	<u>100.00</u>	<u>\$ 1,365,267,880</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 70.10		\$ 70.10	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2015 consisted of taxes, accounts (billings for user charged services, rentals and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities

Property taxes	\$ 47,678,745
Accounts	15,132
Intergovernmental	661,844
Accrued interest	<u>38,998</u>
Total governmental activities	<u>\$ 48,394,719</u>

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

NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2015, the District entered into capital lease agreements for copiers. These leases meet the criteria of a capital lease as defined by GASB which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the statement of revenues, expenditures and changes in fund balances - general fund. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been capitalized in the amount of \$430,188, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2015 was \$86,038 leaving a current book value of \$344,150.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

A corresponding liability was recorded in the statement of net position. Principal payments in the 2015 fiscal year totaled \$78,462. This amount is reflected as debt service principal retirement in the general fund and as a reduction to the long-term liabilities reported on the statement of net position. The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2015.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2016	\$ 97,200
2017	97,200
2018	97,200
2019	<u>97,200</u>
Total future required payments	388,800
Less: amount representing interest	<u>(37,074)</u>
Present value of minimum lease payments	<u>\$ 351,726</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year-ended June 30, 2015, was as follows:

	Balance <u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2015</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,468,751	\$ -	\$ -	\$ 2,468,751
Construction in progress	<u>-</u>	<u>122,167</u>	<u>-</u>	<u>122,167</u>
Total capital assets, not being depreciated	<u>2,468,751</u>	<u>122,167</u>	<u>-</u>	<u>2,590,918</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	214,415	-	-	214,415
Buildings and improvements	134,845,699	23,270	-	134,868,969
Furniture and equipment	6,965,140	615,638	(16,750)	7,564,028
Vehicles	4,071,126	42,000	(257,958)	3,855,168
Textbooks and library books	<u>4,104,050</u>	<u>66,471</u>	<u>-</u>	<u>4,170,521</u>
Total capital assets, being depreciated	<u>150,200,430</u>	<u>747,379</u>	<u>(274,708)</u>	<u>150,673,101</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(66,327)	(7,241)	-	(73,568)
Buildings and improvements	(20,488,841)	(2,709,256)	-	(23,198,097)
Furniture and equipment	(5,268,416)	(308,957)	16,750	(5,560,623)
Vehicles	(2,665,495)	(239,101)	245,035	(2,659,561)
Textbooks and library books	<u>(3,422,905)</u>	<u>(252,913)</u>	<u>-</u>	<u>(3,675,818)</u>
Total accumulated depreciation	<u>(31,911,984)</u>	<u>(3,517,468)</u>	<u>261,785</u>	<u>(35,167,667)</u>
Governmental activities capital assets, net	<u>\$ 120,757,197</u>	<u>\$ (2,647,922)</u>	<u>\$ (12,923)</u>	<u>\$ 118,096,352</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 2,211,193
Special	166,896
Vocational	43,541
Adult/continuing	263
Support Services:	
Pupil	96,814
Instructional staff	158,593
Administration	107,619
Fiscal	8,058
Business	93,664
Operations and maintenance	165,588
Pupil transportation	254,550
Central	3,373
Operation of non instructional services:	
Food service operations	103,507
Extracurricular activities	<u>103,809</u>
Total depreciation expense	<u>\$ 3,517,468</u>

NOTE 10 - LONG-TERM OBLIGATIONS

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

<u>Debt Issue</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>
General Obligation Bonds:				
School Improvements				
Refunding - Series 2004	2004	13,925,000	2.0-15.4%	December 1, 2016
Library Improvements				
Refunding - Series 2006	2006	3,785,000	3.55-5.0%	December 1, 2017
School Improvements - Series 2010	2010	84,055,000	1.5-6.028%	December 1, 2043
School Improvements				
Refunding - Series 2011	2011	6,540,000	3.40-5.0%	December 1, 2027
School Improvements				
Restructuring - Series 2014	2014	2,830,000	2.29-4.50%	December 1, 2025
School Improvements				
Refunding - Series 2014	2014	55,700,000	2.0-5.0%	December 1, 2043

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of the changes in long-term obligations during fiscal year 2015:

	Balance <u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2015</u>	Amounts Due in <u>One Year</u>
Governmental activities					
General Obligation bonds:					
Library improvements refunding - Series 2006:					
Serial bonds	\$ 2,005,000	\$ -	\$ (440,000)	\$ 1,565,000	\$ 480,000
Unamortized premium	86,688	-	(25,372)	61,316	-
School improvements refunding - Series 2004:					
Serial bonds	1,970,000	-	(1,970,000)	-	-
Unamortized premium	61,002	-	(61,002)	-	-
Capital appreciation bonds	725,000	-	-	725,000	-
Accretion on capital appreciation bonds	2,307,929	456,116	-	2,764,045	-
Unamortized premium	423,705	-	(141,235)	282,470	-
School improvements - Series 2010:					
Serial bonds	9,880,000	-	(4,285,000)	5,595,000	1,385,000
Unamortized premium	1,226,025	-	(98,736)	1,127,289	-
Term bonds	57,165,000	-	(57,165,000)	-	-
Sinking fund bonds	11,260,000	-	-	11,260,000	-
School improvements refunding - Series 2011:					
Serial bonds	6,020,000	-	(275,000)	5,745,000	355,000
Unamortized premium	328,021	-	(24,449)	303,572	-
Capital appreciation bonds	180,000	-	-	180,000	-
Accretion on capital appreciation bonds	52,377	23,953	-	76,330	-
School improvements restructuring - Series 2014:					
Serial bonds	-	2,830,000	-	2,830,000	-
School improvements refunding - Series 2014:					
Serial bonds	-	33,210,000	-	33,210,000	150,000
Term bonds	-	22,490,000	-	22,490,000	-
Unamortized premium	-	2,517,550	(43,531)	2,474,019	-
Total general obligation bonds	<u>93,690,747</u>	<u>61,527,619</u>	<u>(64,529,325)</u>	<u>90,689,041</u>	<u>2,370,000</u>
Net pension liability:					
STRS	68,137,421	-	(10,936,452)	57,200,969	-
SERS	16,587,548	-	(2,470,655)	14,116,893	-
Total net pension liability	<u>84,724,969</u>	<u>-</u>	<u>(13,407,107)</u>	<u>71,317,862</u>	<u>-</u>
Capital lease obligation	-	430,188	(78,462)	351,726	81,464
Retirement incentive	100,000	-	(68,750)	31,250	31,250
Compensated absences	3,907,083	475,208	(536,498)	3,845,793	530,045
Total governmental activities long-term liabilities	<u>\$ 182,422,799</u>	<u>\$ 62,433,015</u>	<u>\$ (78,620,142)</u>	<u>\$ 166,235,672</u>	<u>\$ 3,012,759</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

All general obligation bonds will be paid from property taxes in the bond retirement fund.

Compensated absences will be paid from the general fund and the following nonmajor governmental funds: food service fund, auxiliary services fund, IDEA Part B special education fund, Title I fund and the early childhood educational development fund. The retirement incentive will be paid from the general fund.

The District pays obligations related to employee compensation from the fund benefitting from their service.

Library Improvement Refunding Bonds - Series 2006

On October 12, 2006, the District issued \$3,785,000 in library improvement refunding bonds to advance refund a portion of the 1998 library improvement bonds. The refunding bonds were sold at a premium of \$279,092. Proceeds of \$3,996,593 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 1998 library improvement bonds. As a result, \$3,805,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2015 the outstanding amount of the refunded bonds are \$1,595,000.

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

The reacquisition price exceeded the net carrying amount of the old debt by \$191,593. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

School Improvement Refunding Bonds - Series 2004

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

The bonds were sold at a premium of \$2,140,791. Proceeds of \$15,886,812 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 1995 classroom facilities improvement bonds. As a result, \$13,925,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2015, the outstanding amount of the refunded bonds is \$3,645,000.

The serial bonds were issued for an 11 year period with a final maturity at December 1, 2014. The capital appreciation bonds were issued for a 13 year period with a final maturity at December 1, 2016 in the amount of \$4,305,000. At June 30, 2015, a total of \$2,764,045 in accreted interest has been recorded on the capital appreciation bonds. The bonds are being retired from the bond retirement fund. The 2004 school improvement refunding bonds are not subject to redemption prior to stated maturity.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

School Improvement Bonds - Series 2010

On August 10, 2010, the District issued \$84,055,000, in general obligation school improvement bonds, including \$15,630,000 in serial bonds, \$57,165,000 in term Build America Bonds (BABs) and \$11,260,000 in sinking fund Qualified School Construction Bonds (QSCBs). Proceeds from the bond issue are being used to construct, renovate, remodel, add to, furnish, equip or otherwise improve school district buildings and facilities. The bonds were sold at a premium of \$1,385,761. Principal payments on the bonds are due December 1 or each year while interest payments are due on June 1 and December 1 of each year. During 2015, a portion of the serial bonds, in the amount of \$2,830,000 were refunded through the issuance of the series 2014 restructuring bonds and the entire balance of the BABs, in the amount of \$57,165,000, were refunded through the issuance of the series 2014 refunding bonds.

The serial bonds were issued for a nine year period with a final maturity at December 1, 2019. The serial bonds mature on December 1 in each year 2011 through 2019 and bear interest rates ranging from 1.5 percent to 5.0 percent. The serial bonds are not subject to redemption prior to maturity.

The QSCBs mature on December 1, 2026 in the amount of \$11,260,000. The QSCBs bear an interest rate of 5.227 percent. The District receives a direct payment subsidy from the United States Treasury equal to 100% of the lesser of the interest payments on the bonds or the federal tax credits that would otherwise have been available to the holders of the bonds. The District records this subsidy from the federal government in the Bond Retirement fund. The QSCBs are subject to optional redemption, on any date on or after December 31, 2020, and extraordinary optional redemption, at the sole discretion of the District, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date. On December 1 in each year 2020 through 2026, the District is required to make a mandatory deposit into a sinking fund that will provide for payment of the QSCBs upon maturity. The QSCBs are subject to mandatory sinking fund requirements as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>
2020	\$ 1,295,000
2021	1,490,000
2022	1,530,000
2023	1,565,000
2024	1,755,000
2025	1,795,000
2026	<u>1,830,000</u>
Total	<u>\$ 11,260,000</u>

School Improvement Refunding Bonds - Series 2011

On October 25, 2011, the District issued \$6,540,000, in general obligation refunding bonds, which included \$6,360,000 in serial and term bonds and \$180,000 in capital appreciation bonds at interest rates varying from 3.4 percent to 5.0 percent. Proceeds were used to refund \$6,540,000 of the outstanding 2003 school improvement bonds.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The bonds were sold at a premium of \$393,218. Proceeds of \$6,967,612 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 2003 school improvement bonds. As a result, \$6,540,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2015, the outstanding amount of the refunded bonds is \$5,980,000.

The serial bonds were issued for a 15 year period with a final maturity at December 1, 2027. The capital appreciation bonds were issued for a 9 year period with a final maturity at December 1, 2021 in the amount of \$485,000. At June 30, 2015, a total of \$76,330 in accreted interest has been recorded on the capital appreciation bonds. The bonds are being retired from the bond retirement fund. The 2011 school improvement refunding bonds are not subject to redemption prior to stated maturity.

School Improvement Restructuring Bonds - Series 2014

On July 22, 2014, the District issued \$2,830,000, in general obligation restructuring bonds. These bonds are serial bonds with interest rates varying from 2.29 percent to 4.50 percent. The final stated maturity on the issue is December 1, 2025. Proceeds were used to restructure \$2,830,000 of the outstanding 2010 school improvement serial bonds.

Proceeds of \$2,995,303 (including District contributions of \$203,803 less underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the restructured portion of the 2010 school improvement serial bonds. As a result, \$2,830,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2015, the outstanding amount of the restructured bonds is \$2,090,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$165,303. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

School Improvement Refunding Bonds - Series 2014

On December 11, 2015, the District issued \$55,700,000, in general obligation refunding bonds, which included \$33,210,000 in serial bonds and \$22,490,000 in term bonds with interest rates varying from 2.0 percent to 5.0 percent. The final stated maturity on the issue is December 1, 2043. Proceeds were used to advance refund \$57,165,000 of the outstanding 2003 school improvement BAB's.

The bonds were sold at a premium of \$2,517,550. Proceeds of \$57,716,291 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2010 school improvement BAB's. As a result, \$57,165,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2015, the outstanding amount of the refunded bonds is \$57,165,000.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The term bonds are subject to mandatory sinking fund redemption as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption</u>
2039	\$ 4,165,000
2040	4,325,000
2041	4,490,000
2042	4,665,000
2043	<u>4,845,000</u>
Total	<u>\$ 22,490,000</u>

The reacquisition price exceeded the net carrying amount of the old debt by \$551,291. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments by \$2,110,668 and resulted in an economic gain of \$1,093,350.

Future Debt Service Requirements

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2015, are as follows:

<u>Fiscal Year Ending,</u>	<u>General Obligation Bonds</u>		<u>Capital Appreciation Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,370,000	\$ 6,752,423	\$ -	\$ -	\$ 2,370,000	\$ 6,752,423
2017	2,290,000	6,665,961	725,000	3,580,000	3,015,000	10,245,961
2018	1,805,000	6,571,048	-	-	1,805,000	6,571,048
2019	1,750,000	6,492,199	-	-	1,750,000	6,492,199
2020	2,030,000	6,414,465	-	-	2,030,000	6,414,465
2021 - 2025	11,100,000	31,622,658	180,000	305,000	11,280,000	31,927,658
2026 - 2030	11,270,000	16,877,235	-	-	11,270,000	16,877,235
2031 - 2035	13,045,000	8,552,851	-	-	13,045,000	8,552,851
2036 - 2040	18,710,000	5,408,143	-	-	18,710,000	5,408,143
2041 - 2044	<u>18,325,000</u>	<u>1,446,906</u>	<u>-</u>	<u>-</u>	<u>18,325,000</u>	<u>1,446,906</u>
Total	<u>\$ 82,695,000</u>	<u>\$ 96,803,889</u>	<u>\$ 905,000</u>	<u>\$ 3,885,000</u>	<u>\$ 83,600,000</u>	<u>\$ 100,688,889</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2015, are a voted debt margin of \$46,693,771 (including available funds of \$7,419,662) and an unvoted debt margin of \$1,365,268.

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Insurance Benefits

The District provides term life insurance and accidental death and dismemberment insurance to eligible employees through Anthem Life Insurance, in the amount of \$50,000 or \$25,000 for all certified employees depending upon full and part time teaching, \$45,000 or \$30,000 for all noncertified employees depending upon the number of years each employee worked, and \$60,000 for each administrator except the superintendent and treasurer which are three times annual compensation and \$100,000, respectively.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 11 - OTHER EMPLOYEE BENEFITS - (Continued)

C. Retirement Incentive Plan

During fiscal year 2006 and 2009, the District offered a Retirement Incentive Bonus (“RIB”) and a Health Care Reimbursement Account (“HRA”) to certified teaching employees who are currently eligible to retire with the State Teachers Retirement System. Teachers electing to retire and accept the RIB and HRA are entitled to their normal severance payment (See Note 11.A.) plus a \$17,000 RIB plus an \$8,000 HRA. The employee’s severance payment is payable in three substantially-equal payments with the first payment being made on or about the one-year anniversary date of the employee’s retirement and each subsequent payment being payable on or about the yearly anniversary of the retirement date. The employee’s RIB payment is payable in four substantially-equal payments with the first payment being made on or about the one-year anniversary date of the employee’s retirement and each subsequent payment being payable on or about the yearly anniversary of the retirement date. The employee’s HRA payment is payable in four substantially-equal payments with the first payment being made on or about the one-year anniversary date of the employee’s retirement and each subsequent payment being payable on or about the yearly anniversary of the retirement date.

At June 30, 2015, the total liability for retirement incentives (both RIB and HRA payments) is \$31,250. The entire amount is due within one year and recorded as a liability of the general fund.

The District has entered into a Memorandum of Agreement (MOA) with the Westlake Teachers Association whereby any teacher who would like to retire under the STRS parameters of age 55 with at least 25 years of service credit, or age 60 with at least 5 years of service credit, may do so and may be eligible for the retirement incentive plan. Under the MOA, any teacher who elects to retire and is eligible to retire under STRS parameters can do so under the retirement incentive plan.

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

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2015, the District is contracted with the Ohio School Plan to provide property, fleet and liability insurance, as well as boiler and machinery coverage. There is a \$1,000 deductible with an agreed value co-insurance for property and a \$1,000 deductible for boiler and machinery coverage. There is no deductible for general liability.

General liability is provided by Ohio School Plan with a \$5,000,000 single occurrence limit, a \$7,000,000 aggregate limit in addition to a \$5,000,000 excess coverage policy. Employee dishonesty coverage is also provided by the Ohio School Plan with a \$1,000 deductible. Vehicles are covered by the Ohio School Plan and have a \$250 deductible for comprehensive and \$500 deductible for collision; buses have a \$1,000 deductible for comprehensive and \$1,000 deduction for collision. Automobile liability has a \$5,000,000 combined single limit of liability excluding the excess coverage indicated above.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 12 - RISK MANAGEMENT - (Continued)

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in coverage from the prior year.

B. Employee Medical Benefits

The District is a member of the Suburban Health Consortium, a shared risk pool (Note 2.A.) to provide employee medical, surgical, prescription drug, vision and dental benefits. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. For fiscal year 2015, the District paid 85% of the cost of the monthly insurance premium for certified, classified and administrative employees.

C. Workers' Compensation

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. During fiscal year 2015, the District was enrolled in a Group Retrospective rating program offered by the Ohio Bureau of Worker's Compensation and administered by CompManagement Inc.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *pension and postemployment benefits payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description –District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The District's contractually required contribution to SERS was \$1,121,462 for fiscal year 2015. Of this amount \$94,689 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description –District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$3,203,729 for fiscal year 2015. Of this amount, \$528,588 is reported as pension and postemployment benefits payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 14,116,893	\$ 57,200,969	\$ 71,317,862
Proportion of the net pension liability	0.27893800%	0.23516789%	
Pension expense	\$ 823,812	\$ 2,218,856	\$ 3,042,668

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 120,150	\$ 550,684	\$ 670,834
District contributions subsequent to the measurement date	<u>1,121,462</u>	<u>3,203,729</u>	<u>4,325,191</u>
Total deferred outflows of resources	<u>\$ 1,241,612</u>	<u>\$ 3,754,413</u>	<u>\$ 4,996,025</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$ 2,291,212</u>	<u>\$ 10,582,396</u>	<u>\$ 12,873,608</u>

\$4,325,191 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2016	\$ (542,765)	\$ (2,507,928)	\$ (3,050,693)
2017	(542,765)	(2,507,928)	(3,050,693)
2018	(542,765)	(2,507,928)	(3,050,693)
2019	<u>(542,767)</u>	<u>(2,507,928)</u>	<u>(3,050,695)</u>
Total	<u>\$ (2,171,062)</u>	<u>\$ (10,031,712)</u>	<u>\$ (12,202,774)</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	<u>15.00</u>	7.50
Total	<u><u>100.00 %</u></u>	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 20,140,612	\$ 14,116,893	\$ 9,050,426

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 81,889,424	\$ 57,200,969	\$ 36,322,845

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the District's surcharge obligation was \$121,490.

The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$180,055, \$117,161, and \$133,554, respectively. For fiscal year 2015, 92.45 percent has been contributed, with the balance being reported as pension and postemployment benefits payable. The full amount has been contributed for fiscal years 2014 and 2013.

B. State Teachers Retirement System

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$246,777, and \$256,568 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

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

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 16 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances (net of amounts already included in payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 4,123,349
Bond retirement	3,530
Other governmental	<u>1,212,323</u>
Total	<u>\$ 5,339,202</u>

NOTE 17 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2014	\$ -
Current year set-aside requirement	658,544
Current year qualifying expenditures	<u>(1,846,856)</u>
Total	<u>\$ (1,188,312)</u>
Balance carried forward to fiscal year 2016	<u>\$ -</u>
Set-aside balance June 30, 2015	<u>\$ -</u>

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (3,348,720)
Net adjustment for revenue accruals	1,539,967
Net adjustment for expenditure accruals	706,548
Net adjustment for other sources/uses	(78,837)
Funds budgeted elsewhere	10,411
Adjustment for encumbrances	4,408,222
GAAP basis	\$ 3,237,591

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the public school support fund, the interdistrict summer school fund, the community education fund and the uniform school supplies fund.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TWO FISCAL YEARS

	2014	2013
District's proportion of the net pension liability	0.27893800%	0.27893800%
District's proportionate share of the net pension liability	\$ 14,116,893	\$ 16,587,548
District's covered-employee payroll	\$ 8,105,375	\$ 8,292,471
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.17%	200.03%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO FISCAL YEARS

	2014	2013
District's proportion of the net pension liability	0.23516789%	0.23516789%
District's proportionate share of the net pension liability	\$ 57,200,969	\$ 68,137,421
District's covered-employee payroll	\$ 24,027,662	\$ 25,656,777
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	238.06%	265.57%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 1,121,462	\$ 1,123,405	\$ 1,147,678	\$ 1,087,963	\$ 1,039,322
Contributions in relation to the contractually required contribution	<u>(1,121,462)</u>	<u>(1,123,405)</u>	<u>(1,147,678)</u>	<u>(1,087,963)</u>	<u>(1,039,322)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 8,508,816	\$ 8,105,375	\$ 8,292,471	\$ 8,088,944	\$ 8,268,274
Contributions as a percentage of covered-employee payroll	13.18%	13.86%	13.84%	13.45%	12.57%

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 1,062,728	\$ 729,581	\$ 708,014	\$ 741,110	\$ 689,871
<u>(1,062,728)</u>	<u>(729,581)</u>	<u>(708,014)</u>	<u>(741,110)</u>	<u>(689,871)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,848,804	\$ 7,414,441	\$ 7,209,919	\$ 6,939,232	\$ 6,520,520
13.54%	9.84%	9.82%	10.68%	10.58%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 3,203,729	\$ 3,123,596	\$ 3,335,381	\$ 3,261,763	\$ 3,218,832
Contributions in relation to the contractually required contribution	<u>(3,203,729)</u>	<u>(3,123,596)</u>	<u>(3,335,381)</u>	<u>(3,261,763)</u>	<u>(3,218,832)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
District's covered-employee payroll	\$ 22,883,779	\$ 24,027,662	\$ 25,656,777	\$ 25,090,485	\$ 24,760,246
Contributions as a percentage of covered-employee payroll	14.00%	13.00%	13.00%	13.00%	13.00%

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 3,111,261	\$ 2,920,173	\$ 2,850,376	\$ 2,714,366	\$ 2,689,279
<u>(3,111,261)</u>	<u>(2,920,173)</u>	<u>(2,850,376)</u>	<u>(2,714,366)</u>	<u>(2,689,279)</u>
<u>\$ -</u>				
\$ 23,932,777	\$ 22,462,869	\$ 21,925,969	\$ 20,879,738	\$ 20,686,762
13.00%	13.00%	13.00%	13.00%	13.00%

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

MAJOR FUNDS

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. These general fund's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

OTHER MAJOR FUND

Bond Retirement Fund

The bond retirement fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Property taxes	\$ 36,837,197	\$ 37,757,277	\$ 40,085,972	\$ 2,328,695
Tuition	297,428	304,857	323,659	18,802
Transportation fees	27,752	28,445	30,199	1,754
Earnings on investments	90,906	93,176	98,923	5,747
Classroom materials and fees	10,421	10,681	11,340	659
Rental income	57,234	58,664	62,282	3,618
Contract services	11,808	12,103	12,849	746
Other local revenues	227,428	233,109	247,486	14,377
Intergovernmental - state	8,690,748	8,907,816	9,457,209	549,393
Intergovernmental - federal	82,697	84,762	89,990	5,228
Total revenues	<u>46,333,619</u>	<u>47,490,890</u>	<u>50,419,909</u>	<u>2,929,019</u>
Expenditures:				
Instruction:				
Regular:				
Salaries and wages	16,051,619	15,221,670	15,019,104	202,566
Fringe benefits	5,328,720	4,976,134	4,946,134	30,000
Purchased services	123,028	215,822	208,373	7,449
Supplies	607,495	605,843	580,116	25,727
Capital outlay	329,561	329,297	295,807	33,490
Other	113,781	167,481	167,481	-
Total regular	<u>22,554,204</u>	<u>21,516,247</u>	<u>21,217,015</u>	<u>299,232</u>
Special:				
Salaries and wages	4,523,352	4,666,890	4,667,335	(445)
Fringe benefits	1,800,905	1,867,153	1,867,153	-
Purchased services	247,354	160,528	151,161	9,367
Supplies	18,287	37,887	33,733	4,154
Capital outlay	23,800	12,936	12,811	125
Other	25	50	50	-
Total special	<u>6,613,723</u>	<u>6,745,444</u>	<u>6,732,243</u>	<u>13,201</u>
Vocational:				
Salaries and wages	130,774	130,774	126,906	3,868
Fringe benefits	44,628	44,628	43,104	1,524
Purchased services	710,465	827,776	827,776	-
Supplies	505	505	-	505
Total vocational	<u>886,372</u>	<u>1,003,683</u>	<u>997,786</u>	<u>5,897</u>
Other:				
Salaries and wages	155,309	155,309	127,716	27,593
Fringe benefits	79,096	79,096	75,753	3,343
Purchased services	2,752,766	2,497,559	2,386,630	110,929
Total other	<u>2,987,171</u>	<u>2,731,964</u>	<u>2,590,099</u>	<u>141,865</u>
Total instruction	<u>33,041,470</u>	<u>31,997,338</u>	<u>31,537,143</u>	<u>460,195</u>
Support Services:				
Pupil:				
Salaries and wages	2,073,203	2,073,203	2,062,627	10,576
Fringe benefits	704,200	704,200	697,005	7,195
Purchased services	1,105,455	1,098,310	1,065,028	33,282
Supplies	109,709	111,478	109,102	2,376
Capital outlay	-	722	662	60
Other	26,799	26,799	26,288	511
Total pupil	<u>4,019,366</u>	<u>4,014,712</u>	<u>3,960,712</u>	<u>54,000</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Instructional staff:				
Salaries and wages	\$ 1,068,014	\$ 1,068,014	\$ 995,279	\$ 72,735
Fringe benefits	396,425	396,425	376,152	20,273
Purchased services	175,310	167,079	148,838	18,241
Supplies	175,508	171,531	164,459	7,072
Capital outlay	62,593	63,469	62,726	743
Other	1,895	1,895	-	1,895
Total instructional staff	<u>1,879,745</u>	<u>1,868,413</u>	<u>1,747,454</u>	<u>120,959</u>
Board of Education:				
Salaries and wages	17,500	20,000	20,000	-
Fringe benefits	4,100	4,671	4,671	-
Purchased services	2,500	2,670	2,670	-
Supplies	3,844	4,822	4,477	345
Other	11,700	13,037	13,037	-
Total board of education	<u>39,644</u>	<u>45,200</u>	<u>44,855</u>	<u>345</u>
Administration:				
Salaries and wages	1,658,004	1,683,148	1,683,148	-
Fringe benefits	820,246	822,194	822,194	-
Purchased services	296,347	340,784	324,544	16,240
Supplies	50,795	48,059	24,087	23,972
Capital outlay	1,675	1,916	817	1,099
Other	76,219	78,562	71,656	6,906
Total administration.	<u>2,903,286</u>	<u>2,974,663</u>	<u>2,926,446</u>	<u>48,217</u>
Fiscal:				
Salaries and wages	382,300	389,398	389,398	-
Fringe benefits	184,135	184,135	168,992	15,143
Purchased services	48,713	48,712	40,567	8,145
Supplies	16,738	16,738	14,072	2,666
Capital outlay	28,575	28,575	28,542	33
Other	718,691	715,407	693,845	21,562
Total fiscal	<u>1,379,152</u>	<u>1,382,965</u>	<u>1,335,416</u>	<u>47,549</u>
Business:				
Salaries and wages	319,300	319,300	310,722	8,578
Fringe benefits	147,560	147,560	137,691	9,869
Purchased services	134,333	99,085	96,655	2,430
Supplies	11,755	3,940	2,882	1,058
Other	750	1,447	1,417	30
Total business.	<u>613,698</u>	<u>571,332</u>	<u>549,367</u>	<u>21,965</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operations and maintenance:				
Salaries and wages	\$ 1,853,318	\$ 2,031,508	\$ 2,031,508	\$ -
Fringe benefits	796,554	854,415	854,415	-
Purchased services	1,863,217	2,189,030	1,961,480	227,550
Supplies	249,598	413,550	413,006	544
Capital outlay	54,039	84,333	77,722	6,611
Total operations and maintenance	<u>4,816,726</u>	<u>5,572,836</u>	<u>5,338,131</u>	<u>234,705</u>
Pupil transportation:				
Salaries and wages	2,261,676	2,179,172	2,160,227	18,945
Fringe benefits	1,027,439	1,027,439	1,011,230	16,209
Purchased services	248,363	266,937	257,086	9,851
Supplies	607,209	650,656	516,885	133,771
Capital outlay	15,000	150,517	150,517	-
Other	350	336	-	336
Total pupil transportation	<u>4,160,037</u>	<u>4,275,057</u>	<u>4,095,945</u>	<u>179,112</u>
Central:				
Salaries and wages	189,800	189,800	181,018	8,782
Fringe benefits	76,181	80,240	80,240	-
Purchased services	25,970	26,160	10,906	15,254
Supplies	8,061	7,626	3,809	3,817
Capital outlay	45,000	50,327	50,327	-
Other	490	490	340	150
Total central	<u>345,502</u>	<u>354,643</u>	<u>326,640</u>	<u>28,003</u>
Total support services	<u>20,157,156</u>	<u>21,059,821</u>	<u>20,324,966</u>	<u>734,855</u>
Operation of non-instructional services:				
Academic and subject oriented activities:				
Purchased services	47,370	47,145	45,421	1,724
Total operation of non-instructional services	<u>47,370</u>	<u>47,145</u>	<u>45,421</u>	<u>1,724</u>
Extracurricular activities:				
Academic and subject oriented activities:				
Salaries and wages	112,000	112,000	89,591	22,409
Fringe benefits	18,532	20,308	20,308	-
Total academic and subject oriented activities	<u>130,532</u>	<u>132,308</u>	<u>109,899</u>	<u>22,409</u>
Sports oriented activities:				
Salaries and wages	616,000	616,000	481,740	134,260
Fringe benefits	146,369	146,369	142,178	4,191
Other	750	750	-	750
Total sports oriented activities	<u>763,119</u>	<u>763,119</u>	<u>623,918</u>	<u>139,201</u>
Total extracurricular activities	<u>893,651</u>	<u>895,427</u>	<u>733,817</u>	<u>161,610</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Facilities acquisition and construction:				
Site improvement services				
Capital outlay- replacement	\$ 30,943	\$ -	\$ -	\$ -
Architecture and engineering services				
Purchased services	4,060	40,956	40,610	346
Building acquisition and construction services:				
Purchased services	306,317	1,071,708	812,211	259,497
Other	-	1,224	1,224	-
Building improvement services				
Purchased services	327,090	479,808	479,808	-
Capital outlay-replacement	220,340	292,624	292,624	-
Total facilities acquisition and construction	888,750	1,886,320	1,626,477	259,843
Total expenditures	55,028,397	55,886,051	54,267,824	1,618,227
Excess of revenues (under) expenditures	(8,694,778)	(8,395,161)	(3,847,915)	4,547,246
Other financing sources (uses):				
Refund of prior year's expenditures	442,631	453,687	481,668	27,981
Refund of prior year's receipts	(50)	(42,992)	(1,905)	41,087
Transfers in	34,113	34,965	37,122	2,157
Transfers (out).	(460,000)	(13,889)	(10,000)	3,889
Advances (out).	(35,000)	(35,000)	(7,860)	27,140
Other uses.	(44,279)	-	-	-
Sale of capital assets	156	160	170	10
Total other financing sources (uses)	(62,429)	396,931	499,195	102,264
Net change in fund balance	(8,757,207)	(7,998,230)	(3,348,720)	4,649,510
Fund balance at beginning of year	14,171,316	14,171,316	14,171,316	-
Prior year encumbrances appropriated	3,981,142	3,981,142	3,981,142	-
Fund balance at end of year.	<u>\$ 9,395,251</u>	<u>\$ 10,154,228</u>	<u>\$ 14,803,738</u>	<u>\$ 4,649,510</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Property taxes	\$ 5,756,345	\$ 6,947,468	\$ 1,191,123
Intergovernmental - State	655,236	790,820	135,584
Intergovernmental-federal	969,500	1,170,112	200,612
Total revenues.	7,381,081	8,908,400	1,527,319
Expenditures:			
Current:			
Support services-administration			
Other.	85	85	-
Total support services-administration.	85	85	-
Support services-fiscal			
Other.	117,915	108,508	9,407
Total fiscal	117,915	108,508	9,407
Debt service:			
Principal retirement	4,140,000	4,140,000	-
Interest and fiscal charges	3,871,367	3,849,867	21,500
Bond issuance costs	3,467,447	540,759	2,926,688
Total debt service.	11,478,814	8,530,626	2,948,188
Total expenditures	11,596,814	8,639,219	2,957,595
Excess of revenues (under) expenditures	(4,215,733)	269,181	4,484,914
Other financing sources (uses):			
Refund of prior year's expenditures	2,711	3,272	561
Issuance of refunding bonds	55,700,000	58,530,000	2,830,000
Premium on refunding bonds issued	2,517,550	2,517,550	-
Payment to refunded bond escrow agent	(57,716,291)	(60,711,594)	(2,995,303)
Total other financing sources (uses)	503,970	339,228	(164,742)
Net change in fund balance	(3,711,763)	608,409	4,320,172
Fund balance at beginning of year	5,224,600	5,224,600	-
Fund balance at end of year.	\$ 1,512,837	\$ 5,833,009	\$ 4,320,172

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

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for a specific purpose. A description of the District's special revenue funds follows:

Food Service Fund

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

Local Grants Fund

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

Professional Development Grant Fund

This fund accounts for grant monies that are legally restricted to expenditures for professional development.

Athletic and Music Fund

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

Auxiliary Services Fund

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

Data Communications Support Fund

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

Miscellaneous State Grants Fund

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

Adult Basic Education Fund

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

IDEA, Part B Special Education Fund

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

Limited English Proficiency Fund

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

Title I Fund

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

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

Nonmajor Special Revenue Funds - (Continued)

Early Childhood Education Development Fund

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

Improving Teacher Quality Fund

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

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

Uniform School Supplies Fund

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

Interdistrict Summer School Fund

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

Community Education Fund

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

Public School Support Fund

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

Nonmajor Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or and other capital assets.

Permanent Improvement Fund

This fund accounts for the acquisition and construction of permanent improvements as authorized by Chapter 5705, Revised Code.

Building Fund

This building fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or and other capital assets.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 814,278	\$ 908,401	\$ 1,722,679
Receivables:			
Accounts	2,838	-	2,838
Intergovernmental	430,674	-	430,674
Materials and supplies inventory	3,198	-	3,198
Inventory held for resale	6,659	-	6,659
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,257,647</u>	<u>\$ 908,401</u>	<u>\$ 2,166,048</u>
 Liabilities:			
Accounts payable	\$ 53,968	\$ -	\$ 53,968
Retainage payable	-	667,553	667,553
Accrued wages and benefits	136,025	-	136,025
Compensated absences payable	25,480	-	25,480
Intergovernmental payable	19,429	-	19,429
Pension and postemployment benefits payable . .	41,105	-	41,105
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>276,007</u>	<u>667,553</u>	<u>943,560</u>
 Deferred inflows of resources:			
Intergovernmental revenue not available	<u>255,738</u>	<u>-</u>	<u>255,738</u>
Total deferred inflows of resources	<u>255,738</u>	<u>-</u>	<u>255,738</u>
 Fund Balances:			
Nonspendable:			
Materials and supplies inventory	3,198	-	3,198
Restricted:			
Capital improvements	-	240,848	240,848
Food service operations	254,814	-	254,814
Non-public schools	36,354	-	36,354
Special education	14,317	-	14,317
Targeted academic assistance	17,922	-	17,922
Extracurricular	246,026	-	246,026
Other purposes	153,271	-	153,271
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>725,902</u>	<u>240,848</u>	<u>966,750</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 1,257,647</u>	<u>\$ 908,401</u>	<u>\$ 2,166,048</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Charges for services	\$ 858,059	\$ -	\$ 858,059
Earnings on investments	1,213	3,876	5,089
Extracurricular	165,039	-	165,039
Rental income	19,324	-	19,324
Contributions and donations	157,783	-	157,783
Other local revenues	13,527	-	13,527
Intergovernmental - state	691,783	-	691,783
Intergovernmental - federal	1,619,554	-	1,619,554
	<hr/>	<hr/>	<hr/>
Total revenue	3,526,282	3,876	3,530,158
Expenditures:			
Current:			
Instruction:			
Regular	140,459	-	140,459
Special	562,719	-	562,719
Adult/continuing	3,125	-	3,125
Other	302,879	-	302,879
Support services:			
Pupil	159,654	-	159,654
Instructional staff	70,135	-	70,135
Administration	1,987	-	1,987
Operation of non-instructional services:			
Food service operations	1,097,093	-	1,097,093
Other non-instructional services	762,257	-	762,257
Extracurricular activities	281,436	-	281,436
Facilities acquisition and construction	-	809,722	809,722
	<hr/>	<hr/>	<hr/>
Total expenditures	3,381,744	809,722	4,191,466
Excess of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	144,538	(805,846)	(661,308)
Other financing sources:			
Transfers in	10,000	-	10,000
	<hr/>	<hr/>	<hr/>
Total other financing sources	10,000	-	10,000
Net change in fund balances	154,538	(805,846)	(651,308)
Fund balances at beginning of year	<hr/>	<hr/>	<hr/>
	571,364	1,046,694	1,618,058
Fund balances at end of year	<hr/>	<hr/>	<hr/>
	\$ 725,902	\$ 240,848	\$ 966,750

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Food Service	Local Grants	Professional Development Grant	Athletic and Music
Assets:				
Equity in pooled cash and investments	\$ 291,525	\$ 2,927	\$ 146,083	\$ 247,940
Receivables:				-
Accounts	178	-	1,639	1,021
Intergovernmental	47,836	-	-	-
Materials and supplies inventory	3,198	-	-	-
Inventory held for resale	6,659	-	-	-
Total assets.	\$ 349,396	\$ 2,927	\$ 147,722	\$ 248,961
Liabilities:				
Accounts payable.	\$ 3,982	\$ -	\$ -	\$ 850
Accrued wages and benefits	61,921	-	-	-
Compensated absences payable.	-	-	-	-
Intergovernmental payable	2,825	-	21	292
Pension and postemployment benefits payable	22,656	-	-	1,793
Total liabilities.	91,384	-	21	2,935
Deferred inflows of resources:				
Intergovernmental revenue not available.	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Materials and supplies inventory.	3,198	-	-	-
Restricted:				
Food service operations	254,814	-	-	-
Non-public schools	-	-	-	-
Special education	-	-	-	-
Targeted academic assistance	-	-	-	-
Extracurricular	-	-	-	246,026
Other purposes.	-	2,927	147,701	-
Total fund balances	258,012	2,927	147,701	246,026
Total liabilities, deferred inflows and fund balances	\$ 349,396	\$ 2,927	\$ 147,722	\$ 248,961

<u>Auxiliary Services</u>	<u>IDEA, Part B Special Education</u>	<u>Limited English Proficiency</u>	<u>Title I</u>	<u>Early Childhood Education Development</u>	<u>Improving Teacher Quality</u>
\$ 125,783	\$ 5	\$ 5	\$ 7	\$ 2	\$ 1
-	-	-	-	-	-
-	229,765	15,751	113,431	5,788	18,103
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 125,783</u>	<u>\$ 229,770</u>	<u>\$ 15,756</u>	<u>\$ 113,438</u>	<u>\$ 5,790</u>	<u>\$ 18,104</u>
\$ 41,992	\$ 1,666	\$ 1,128	\$ 2,422	\$ 1,084	\$ 844
16,313	10,929	2,711	44,151	-	-
25,480	-	-	-	-	-
558	13,181	129	2,191	58	174
5,086	1,392	394	9,486	-	298
<u>89,429</u>	<u>27,168</u>	<u>4,362</u>	<u>58,250</u>	<u>1,142</u>	<u>1,316</u>
-	188,340	8,751	40,061	4,593	13,993
-	188,340	8,751	40,061	4,593	13,993
-	-	-	-	-	-
-	-	-	-	-	-
36,354	-	-	-	-	-
-	14,262	-	-	55	-
-	-	-	15,127	-	2,795
-	-	-	-	-	-
-	-	2,643	-	-	-
<u>36,354</u>	<u>14,262</u>	<u>2,643</u>	<u>15,127</u>	<u>55</u>	<u>2,795</u>
<u>\$ 125,783</u>	<u>\$ 229,770</u>	<u>\$ 15,756</u>	<u>\$ 113,438</u>	<u>\$ 5,790</u>	<u>\$ 18,104</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2015

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in pooled cash and investments	\$ 814,278
Receivables:	
Accounts	2,838
Intergovernmental	430,674
Materials and supplies inventory	3,198
Inventory held for resale	6,659
Total assets.	\$ 1,257,647
 Liabilities:	
Accounts payable.	\$ 53,968
Accrued wages and benefits	136,025
Compensated absences payable.	25,480
Intergovernmental payable	19,429
Pension and postemployment benefits payable	41,105
Total liabilities.	276,007
 Deferred inflows of resources:	
Intergovernmental revenue not available.	255,738
Total deferred inflows of resources	255,738
 Fund Balances:	
Nonspendable:	
Materials and supplies inventory.	3,198
Restricted:	
Food service operations	254,814
Non-public schools	36,354
Special education	14,317
Targeted academic assistance	17,922
Extracurricular	246,026
Other purposes.	153,271
Total fund balances	725,902
Total liabilities, deferred inflows and fund balances	\$ 1,257,647

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Food Service</u>	<u>Local Grants</u>	<u>Professional Development Grant</u>	<u>Athletic and Music</u>
Revenues:				
From local sources:				
Charges for services	\$ 858,059	\$ -	\$ -	\$ -
Earnings on investments	560	-	-	-
Extracurricular	-	-	-	165,039
Rental income	-	-	19,324	-
Contributions and donations	-	1,787	2,550	153,446
Other local revenues	909	-	10,343	1,599
Intergovernmental - state	6,721	-	-	-
Intergovernmental - federal	306,725	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	1,172,974	1,787	32,217	320,084
Expenditures:				
Current:				
Instruction:				
Regular	-	-	3	-
Special	-	-	-	-
Adult/continuing	-	-	3,125	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operation of non-instructional services:				
Food service operations	1,097,093	-	-	-
Other non-instructional services	-	14	-	-
Extracurricular activities	-	-	-	281,436
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,097,093	14	3,128	281,436
Excess of revenues over (under) expenditures	75,881	1,773	29,089	38,648
Other financing sources:				
Transfers in	-	-	-	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	10,000
Net change in fund balances	75,881	1,773	29,089	48,648
Fund balances (deficit) at beginning of year	<hr/> 182,131	<hr/> 1,154	<hr/> 118,612	<hr/> 197,378
Fund balances at end of year	<hr/> \$ 258,012	<hr/> \$ 2,927	<hr/> \$ 147,701	<hr/> \$ 246,026

<u>Auxiliary Services</u>	<u>Data Communications Support</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA, Part B Special Education</u>	<u>Limited English Proficiency</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
653	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
643,232	12,600	1	675	-	-
-	-	29,230	-	-	-
-	-	-	-	731,380	52,176
<u>643,885</u>	<u>12,600</u>	<u>29,231</u>	<u>675</u>	<u>731,380</u>	<u>52,176</u>
-	-	-	-	-	-
-	-	-	-	531,281	27,654
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	146,291	656
-	12,600	-	-	14,550	22,040
-	-	-	-	-	-
-	-	-	-	-	-
732,693	-	-	-	27,394	423
-	-	-	-	-	-
<u>732,693</u>	<u>12,600</u>	<u>-</u>	<u>-</u>	<u>719,516</u>	<u>50,773</u>
(88,808)	-	29,231	675	11,864	1,403
-	-	-	-	-	-
-	-	-	-	-	-
(88,808)	-	29,231	675	11,864	1,403
125,162	-	(29,231)	(675)	2,398	1,240
<u>\$ 36,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,262</u>	<u>\$ 2,643</u>

-- Continued

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Title I</u>	<u>Early Childhood Education Development</u>	<u>Improving Teacher Quality</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:				
From local sources:				
Charges for services	\$ -	\$ -	\$ -	\$ 858,059
Earnings on investments	-	-	-	1,213
Extracurricular	-	-	-	165,039
Rental income	-	-	-	19,324
Contributions and donations	-	-	-	157,783
Other local revenues	-	-	-	13,527
Intergovernmental - state	-	-	-	691,783
Intergovernmental - federal	453,895	17,481	57,897	1,619,554
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	453,895	17,481	57,897	3,526,282
Expenditures:				
Current:				
Instruction:				
Regular	95,822	-	44,634	140,459
Special	-	3,784	-	562,719
Adult/continuing	-	-	-	3,125
Other	302,879	-	-	302,879
Support services:				
Pupil	-	12,707	-	159,654
Instructional staff	10,628	967	9,350	70,135
Administration	1,987	-	-	1,987
Operation of non-instructional services:				
Food service operations	-	-	-	1,097,093
Other non-instructional services	615	-	1,118	762,257
Extracurricular activities	-	-	-	281,436
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	411,931	17,458	55,102	3,381,744
Excess of revenues over (under) expenditures	41,964	23	2,795	144,538
Other financing sources:				
Transfers in	-	-	-	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	10,000
Net change in fund balances	41,964	23	2,795	154,538
Fund balances (deficit) at beginning of year	<u>(26,837)</u>	<u>32</u>	<u>-</u>	<u>571,364</u>
Fund balances at end of year	<u>\$ 15,127</u>	<u>\$ 55</u>	<u>\$ 2,795</u>	<u>\$ 725,902</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Charges for services	\$ 855,384	\$ 858,059	\$ 2,675
Earnings on investments	558	560	2
Other local revenues	729	731	2
Intergovernmental - State	6,700	6,721	21
Intergovernmental - Federal	312,622	313,599	977
Total revenues	<u>1,175,993</u>	<u>1,179,670</u>	<u>3,677</u>
Expenditures:			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages	457,919	456,772	1,147
Fringe benefits	170,426	170,266	160
Purchased services	5,124	2,902	2,222
Supplies	555,113	547,043	8,070
Capital outlay	4,500	-	4,500
Total food service operations	<u>1,193,082</u>	<u>1,176,983</u>	<u>16,099</u>
Total expenditures	<u>1,193,082</u>	<u>1,176,983</u>	<u>16,099</u>
Excess of revenues over (under) expenditures	<u>(17,089)</u>	<u>2,687</u>	<u>19,776</u>
Other financing sources (uses):			
Refund of prior year's expenditures	7	7	-
Refund of prior year's receipts	(586)	(586)	-
Advances (out)	(1,000)	-	1,000
Total other financing sources (uses)	<u>(1,579)</u>	<u>(579)</u>	<u>1,000</u>
Net change in fund balance	(18,668)	2,108	20,776
Fund balance at beginning of year	195,509	195,509	-
Prior year encumbrances appropriated	52,237	52,237	-
Fund balance at end of year	<u>\$ 229,078</u>	<u>\$ 249,854</u>	<u>\$ 20,776</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Contributions and donations	\$ 1,088	\$ 1,787	\$ 699
Total revenues	1,088	1,787	699
Expenditures:			
Current:			
Support services:			
Instructional staff:			
Purchased services	3,479	3,479	-
Total instructional staff	3,479	3,479	-
Operation of non-instructional services:			
Supplies	14	14	-
Total operation of non-instructional services	14	14	-
Total expenditures	3,493	3,493	-
Net change in fund balance	(2,405)	(1,706)	699
Fund balance at beginning of year	1,154	1,154	-
Prior year encumbrances appropriated	3,479	3,479	-
Fund balance at end of year.	\$ 2,228	\$ 2,927	\$ 699

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROFESSIONAL DEVELOPMENT GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Rental income	\$ 11,985	\$ 19,276	\$ 7,291
Contributions and donations	1,585	2,550	965
Other local revenues	6,430	10,343	3,913
Total revenues	<u>20,000</u>	<u>32,169</u>	<u>12,169</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	2,360	-	2,360
Supplies	125	125	-
Total regular	<u>2,485</u>	<u>125</u>	<u>2,360</u>
Adult/continuing:			
Salaries and wages	2,688	2,689	(1)
Fringe benefits	415	415	-
Total adult/continuing	<u>3,103</u>	<u>3,104</u>	<u>(1)</u>
Support services:			
Instructional staff:			
Supplies	32	32	-
Total instructional staff	<u>32</u>	<u>32</u>	<u>-</u>
Extracurricular:			
School and public service co-curricular activities:			
Purchased services	2,000	-	2,000
Supplies	2,500	-	2,500
Total school and public service co-curricular activities	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Facilities acquisition and construction:			
Site improvement services:			
Supplies	72	-	72
Total facilities acquisition and construction	<u>72</u>	<u>-</u>	<u>72</u>
Total expenditures	<u>10,192</u>	<u>3,261</u>	<u>6,931</u>
Net change in fund balance	9,808	28,908	19,100
Fund balance at beginning of year	117,017	117,017	-
Prior year encumbrances appropriated	158	158	-
Fund balance at end of year	<u>\$ 126,983</u>	<u>\$ 146,083</u>	<u>\$ 19,100</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETIC AND MUSIC FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Extracurricular	\$ 165,039	\$ 165,039	\$ -
Contributions and donations	152,579	152,579	-
Other local revenues	1,382	1,382	-
Total revenues.	<u>319,000</u>	<u>319,000</u>	<u>-</u>
Expenditures:			
Extracurricular activities:			
Sports oriented activities:			
Salaries and wages	21,932	21,932	-
Fringe benefits	2,953	2,953	-
Purchased services	90,809	90,055	754
Supplies	91,216	71,995	19,221
Capital outlay	16,725	4,200	12,525
Other	111,353	107,029	4,324
Total extracurricular activities.	<u>334,988</u>	<u>298,164</u>	<u>36,824</u>
Total expenditures	<u>334,988</u>	<u>298,164</u>	<u>36,824</u>
Excess of revenues (under) expenditures	<u>(15,988)</u>	<u>20,836</u>	<u>36,824</u>
Other financing sources (uses):			
Refund of prior year's expenditures	394	394	-
Refund of prior year's receipts	(1,800)	-	1,800
Transfers in.	10,000	10,000	-
Total other financing sources (uses)	<u>8,594</u>	<u>10,394</u>	<u>1,800</u>
Net change in fund balance	(7,394)	31,230	38,624
Fund balance at beginning of year	177,031	177,031	-
Prior year encumbrances appropriated	22,292	22,292	-
Fund balance at end of year.	<u>\$ 191,929</u>	<u>\$ 230,553</u>	<u>\$ 38,624</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 653	\$ 653	\$ -
Intergovernmental - State	643,161	643,232	71
Total revenues.	<u>643,814</u>	<u>643,885</u>	<u>71</u>
Expenditures:			
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	103,126	87,061	16,065
Fringe benefits	44,989	38,606	6,383
Purchased services	199,533	199,256	277
Supplies	416,576	414,648	1,928
Capital outlay	87,345	87,291	54
Total other non-instructional services	<u>851,569</u>	<u>826,862</u>	<u>24,707</u>
Total expenditures	<u>851,569</u>	<u>826,862</u>	<u>24,707</u>
Net change in fund balance	(207,755)	(182,977)	24,778
Fund balance at beginning of year	135,141	135,141	-
Prior year encumbrances appropriated	72,613	72,613	-
Fund balance (deficit) at end of year.	<u>\$ (1)</u>	<u>\$ 24,777</u>	<u>\$ 24,778</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental-State	\$ 12,600	\$ 12,600	\$ -
Total revenues	12,600	12,600	-
Expenditures:			
Current:			
Support services:			
Instructional staff:			
Purchased services	12,600	12,600	-
Total instructional staff	12,600	12,600	-
Total expenditures	12,600	12,600	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 29,231	\$ 29,230	\$ (1)
Total revenues.	29,231	29,230	(1)
Expenditures:			
Current:			
Instruction-regular			
Purchased services	1,061	1,060	1
Total instruction-regular.	1,061	1,060	1
Total expenditures	1,061	1,060	1
Excess of revenues (under) expenditures	28,170	28,170	-
Other financing sources (uses):			
Advances (out)	(29,262)	(29,262)	-
Total other financing sources (uses)	(29,262)	(29,262)	-
Net change in fund balance	(1,092)	(1,092)	-
Fund balance at beginning of year	2	2	-
Prior year encumbrances appropriated	1,090	1,090	-
Fund balance at end of year.	\$ -	\$ -	\$ -

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA, PART B SPECIAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 961,970	\$ 732,205	\$ (229,765)
Total revenues	961,970	732,205	(229,765)
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	63,455	44,967	18,488
Fringe benefits	52,520	33,063	19,457
Purchased services	446,013	446,013	-
Supplies	20,179	20,163	16
Capital outlay	13,947	12,244	1,703
Total special	596,114	556,450	39,664
Support services:			
Pupil:			
Purchased services	312,487	312,487	-
Total pupil	312,487	312,487	-
Instructional staff:			
Salaries and wages	5,000	2,505	2,495
Purchased services	18,679	15,643	3,036
Total instructional staff	23,679	18,148	5,531
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	10,932	10,932	-
Purchased services	18,792	16,399	2,393
Total other non-instructional services	29,724	27,331	2,393
Total expenditures	962,004	914,416	47,588
Net change in fund balance	(34)	(182,211)	(182,177)
Fund balance (deficit) at beginning of year.	(97,994)	(97,994)	-
Prior year encumbrances appropriated . .	98,029	98,029	-
Fund balance (deficit) at end of year. . . .	\$ 1	\$ (182,176)	\$ (182,177)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIMITED ENGLISH PROFICIENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 69,682	\$ 53,931	\$ (15,751)
Total revenues	69,682	53,931	(15,751)
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	19,121	16,466	2,655
Fringe benefits	5,393	4,986	407
Supplies	7,487	6,753	734
Capital outlay	3,486	2,684	802
Total instruction-special	35,487	30,889	4,598
Support services-pupil			
Salaries and wages	2,500	-	2,500
Purchased services	2,906	790	2,116
Total support services-pupil	5,406	790	4,616
Support services:			
Instructional staff:			
Salaries and wages	4,918	1,846	3,072
Purchased services	23,419	21,624	1,795
Total instructional staff	28,337	23,470	4,867
Operation of non-instructional services			
Salaries and wages	409	409	-
Purchased services	43	-	43
Total operation of non-instructional services	452	409	43
Total expenditures	69,682	55,558	14,124
Net change in fund balance	-	(1,627)	(1,627)
Fund balance (deficit) at beginning of year .	(3,788)	(3,788)	-
Prior year encumbrances appropriated . .	3,788	3,788	-
Fund balance (deficit) at end of year. . . .	\$ -	\$ (1,627)	\$ (1,627)

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE I FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 562,108	\$ 448,677	\$ (113,431)
Total revenues	<u>562,108</u>	<u>448,677</u>	<u>(113,431)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	4,889	4,889	-
Fringe benefits	754	754	-
Purchased services	14,987	13,000	1,987
Supplies	30,067	30,000	67
Capital outlay	65,850	65,507	343
Total regular	<u>116,547</u>	<u>114,150</u>	<u>2,397</u>
Other:			
Salaries and wages	355,033	295,408	59,625
Fringe benefits	58,172	45,745	12,427
Total other	<u>413,205</u>	<u>341,153</u>	<u>72,052</u>
Support services:			
Instructional staff:			
Purchased services	21,452	21,356	96
Total instructional staff	<u>21,452</u>	<u>21,356</u>	<u>96</u>
Administration			
Salaries and wages	5,503	938	4,565
Fringe benefits	925	145	780
Total administration	<u>6,428</u>	<u>1,083</u>	<u>5,345</u>
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	500	210	290
Fringe benefits	85	34	51
Purchased services	2,893	1,235	1,658
Supplies	1,000	180	820
Total other non-instructional services	<u>4,478</u>	<u>1,659</u>	<u>2,819</u>
Total expenditures	<u>562,110</u>	<u>479,401</u>	<u>82,709</u>
Net change in fund balance	(2)	(30,724)	(30,722)
Fund balance (deficit) at beginning of year.	(16,664)	(16,664)	-
Prior year encumbrances appropriated	16,667	16,667	-
Fund balance (deficit) at end of year.	<u>\$ 1</u>	<u>\$ (30,721)</u>	<u>\$ (30,722)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EARLY CHILDHOOD EDUCATION DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal.	\$ 22,123	\$ 16,335	\$ (5,788)
Total revenues.	22,123	16,335	(5,788)
Expenditures:			
Current:			
Instruction:			
Special:			
Supplies	4,200	4,090	110
Capital outlay	500	109	391
Total special	4,700	4,199	501
Support services:			
Pupil:			
Salaries and wages	12,650	12,650	-
Total pupil	12,650	12,650	-
Instructional staff:			
Salaries and wages	2,700	-	2,700
Purchased services	1,294	1,005	289
Total instructional staff.	3,994	1,005	2,989
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	780	-	780
Total other non-instructional services . .	780	-	780
Total expenditures	22,124	17,854	4,270
Net change in fund balance	(1)	(1,519)	(1,518)
Fund balance (deficit) at beginning of year.	(175)	(175)	-
Prior year encumbrances appropriated . .	175	175	-
Fund balance (deficit) at end of year. . .	\$ (1)	\$ (1,519)	\$ (1,518)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 71,940	\$ 53,837	\$ (18,103)
Total revenues	71,940	53,837	(18,103)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	38,000	38,000	-
Fringe benefits	6,460	6,460	-
Total regular	44,460	44,460	-
Support services:			
Instructional staff:			
Salaries and wages	10,000	5,024	4,976
Fringe benefits	1,700	680	1,020
Purchased services	14,370	14,370	-
Total instructional staff	26,070	20,074	5,996
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	1,341	1,118	223
Supplies	71	-	71
Total other non-instructional services	1,412	1,118	294
Total expenditures	71,942	65,652	6,290
Net change in fund balance	(2)	(11,815)	(11,813)
Fund balance (deficit) at beginning of year.	(50)	(50)	-
Prior year encumbrances appropriated . . .	53	53	-
Fund balance (deficit) at end of year. . . .	\$ 1	\$ (11,812)	\$ (11,813)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Classroom materials and fees	\$ 32,900	\$ 39,414	\$ 6,514
Total revenues.	32,900	39,414	6,514
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies	39,731	39,477	254
Total regular	39,731	39,477	254
Extracurricular activities			
Purchased services	7,900	7,860	40
Total expenditures	47,631	47,337	294
Net change in fund balance	(14,731)	(7,923)	6,808
Fund balance at beginning of year	22,138	22,138	-
Prior year encumbrances appropriated	254	254	-
Fund balance at end of year.	\$ 7,661	\$ 14,469	\$ 6,808

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERDISTRICT SUMMER SCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Tuition	\$ -	\$ (280)	\$ (280)
Total revenues	-	(280)	(280)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	9,650	9,642	8
Fringe benefits	1,490	1,488	2
Supplies	2,500	19	2,481
Capital outlay	3,000	-	3,000
Total regular	16,640	11,149	5,491
Other:			
Purchased services	4,500	-	4,500
Total other	4,500	-	4,500
Support services:			
Administration:			
Salaries and wages	5,600	5,516	84
Fringe benefits	1,000	896	104
Total administration	6,600	6,412	188
Total expenditures	27,740	17,561	10,179
Excess of revenues (under) expenditures	(27,740)	(17,841)	9,899
Other financing uses:			
Refund of prior year's expenditures	(800)	-	800
Total other financing uses	(800)	-	800
Net change in fund balance	(28,540)	(17,841)	10,699
Fund balance at beginning of year	30,022	30,022	-
Fund balance at end of year	\$ 1,482	\$ 12,181	\$ 10,699

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Tuition	\$ 463,559	\$ 516,068	\$ 52,509
Classroom materials and fees	6,116	6,809	693
Rental income	2,654	2,955	301
Other local revenues	49,671	55,298	5,627
Total revenues.	522,000	581,130	59,130
Expenditures:			
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	378,258	378,258	-
Fringe benefits	101,942	101,942	-
Purchased services	19,276	18,895	381
Supplies	72,143	72,143	-
Capital outlay	355	355	-
Total other non-instructional services	571,974	571,593	381
Total expenditures	571,974	571,593	381
Excess of revenues (under) expenditures	(49,974)	9,537	59,511
Other financing sources (uses):			
Refund of prior year's (receipts)	(1,460)	(1,460)	-
Total other financing sources (uses)	(1,460)	(1,460)	-
Net change in fund balance	(51,434)	8,077	59,511
Fund balance at beginning of year	53,878	53,878	-
Prior year encumbrances appropriated	12,391	12,391	-
Fund balance at end of year.	\$ 14,835	\$ 74,346	\$ 59,511

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Extracurricular	\$ 104,656	\$ 111,454	\$ 6,798
Classroom materials and fees	180,435	192,155	11,720
Contributions and donations	60,774	64,721	3,947
Other local revenues	3,509	3,737	228
Total revenues	<u>349,374</u>	<u>372,067</u>	<u>22,693</u>
Expenditures:			
Current:			
Support services:			
Board of education:			
Purchased services	<u>15,600</u>	<u>11,149</u>	<u>4,451</u>
Total support services-board of education	<u>15,600</u>	<u>11,149</u>	<u>4,451</u>
Operation of non-instructional services:			
Other non-instructional services:			
Supplies	<u>4,173</u>	<u>1,599</u>	<u>2,574</u>
Total other non-instructional services	<u>4,173</u>	<u>1,599</u>	<u>2,574</u>
Extracurricular activities:			
School and public service co-curricular activities:			
Purchased services	1,556	1,556	-
Supplies	458,611	373,195	85,416
Capital outlay	<u>39,169</u>	<u>11,455</u>	<u>27,714</u>
Total school and public service co-curricular activities	<u>499,336</u>	<u>386,206</u>	<u>113,130</u>
Total expenditures	<u>519,109</u>	<u>398,954</u>	<u>120,155</u>
Excess of revenues (under) expenditures	<u>(169,735)</u>	<u>(26,887)</u>	<u>142,848</u>
Other financing sources:			
Refund of prior year's expenditures	<u>626</u>	<u>667</u>	<u>41</u>
Total other financing sources	<u>626</u>	<u>667</u>	<u>41</u>
Net change in fund balance	(169,109)	(26,220)	142,889
Fund balance at beginning of year	177,074	177,074	-
Prior year encumbrances appropriated	35,208	35,208	-
Fund balance at end of year	<u>\$ 43,173</u>	<u>\$ 186,062</u>	<u>\$ 142,889</u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Permanent Improvement	Building	Total Nonmajor Capital Project Funds
Assets:			
Equity in pooled cash and investments	\$ 692	\$ 907,709	\$ 908,401
Total assets.	\$ 692	\$ 907,709	\$ 908,401
Liabilities:			
Retainage payable.	\$ -	\$ 667,553	\$ 667,553
Total liabilities.	-	667,553	667,553
Fund Balances:			
Restricted:			
Capital improvements	692	240,156	240,848
Total liabilities and fund balances	\$ 692	\$ 907,709	\$ 908,401

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 2	\$ 3,874	\$ 3,876
Total revenue	<u> 2</u>	<u> 3,874</u>	<u> 3,876</u>
Expenditures:			
Current:			
Facilities acquisition and construction	-	809,722	809,722
Total expenditures	<u> -</u>	<u> 809,722</u>	<u> 809,722</u>
Net change in fund balances	2	(805,848)	(805,846)
Fund balances at beginning of year	<u> 690</u>	<u> 1,046,004</u>	<u> 1,046,694</u>
Fund balances at end of year	<u><u> 692</u></u>	<u><u> 240,156</u></u>	<u><u> 240,848</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ 2	\$ 2
Total revenues	-	2	2
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital outlay	690	-	690
Total regular	690	-	690
Total expenditures	690	-	690
Net change in fund balance	(690)	2	692
Fund balance at beginning of year	690	690	-
Fund balance at end of year	\$ -	\$ 692	\$ 692

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 3,567	\$ 3,874	\$ 307
Total revenues	<u>3,567</u>	<u>3,874</u>	<u>307</u>
Expenditures:			
Facilities acquisition and construction:			
Building acquisition and construction services:			
Supplies	2,515,646	2,504,637	11,009
Total facilities acquisition and construction .	<u>2,515,646</u>	<u>2,504,637</u>	<u>11,009</u>
Total expenditures	<u>2,515,646</u>	<u>2,504,637</u>	<u>11,009</u>
Net change in fund balance	(2,512,079)	(2,500,763)	11,316
Fund balance at beginning of year	254,107	254,107	-
Prior year encumbrances appropriated . .	2,258,748	2,258,748	-
Fund balance at end of year	<u>\$ 776</u>	<u>\$ 12,092</u>	<u>\$ 11,316</u>

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

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

Private-Purpose Trust Fund

Scholarship Fund

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

Agency Funds

Student Activities

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

OHSAA Tournaments

This fund reflects resources that are collected for various tournaments and remitted to the Ohio High School Athletic Association (OHSAA).

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 78	\$ 88	\$ 10
Contributions and donations	8,906	14,629	5,723
Total revenues.	<u>8,984</u>	<u>14,717</u>	<u>5,733</u>
Expenses:			
Current:			
Extracurricular activities:			
School and public service:			
Purchased services	28,196	26,109	2,087
Total school and public service	<u>28,196</u>	<u>26,109</u>	<u>2,087</u>
Total expenses.	<u>28,196</u>	<u>26,109</u>	<u>2,087</u>
Net change in fund equity	(19,212)	(11,392)	7,820
Fund equity at beginning of year	95,564	95,564	-
Prior year encumbrances appropriated	5,000	5,000	-
Fund equity at end of year.	<u>\$ 81,352</u>	<u>\$ 89,172</u>	<u>\$ 7,820</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Beginning Balance June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2015</u>
Student Activities				
Assets:				
Equity in pooled cash and investments	\$ 244,762	\$ 255,764	\$ 246,418	\$ 254,108
Total assets	<u>\$ 244,762</u>	<u>\$ 255,764</u>	<u>\$ 246,418</u>	<u>\$ 254,108</u>
Liabilities:				
Accounts payable	\$ 3,023	\$ 1,332	\$ 3,023	\$ 1,332
Due to students	241,739	254,432	243,395	252,776
Total liabilities.	<u>\$ 244,762</u>	<u>\$ 255,764</u>	<u>\$ 246,418</u>	<u>\$ 254,108</u>
OHSAA Tournaments				
Assets:				
Equity in pooled cash and investments	\$ 466	\$ 17,773	\$ 17,733	\$ 506
Total assets	<u>\$ 466</u>	<u>\$ 17,773</u>	<u>\$ 17,733</u>	<u>\$ 506</u>
Liabilities:				
Accounts payable	\$ 75	\$ -	\$ 75	\$ -
Intergovernmental payable	391	17,773	17,658	506
Total liabilities.	<u>\$ 466</u>	<u>\$ 17,773</u>	<u>\$ 17,733</u>	<u>\$ 506</u>
Total				
Assets:				
Equity in pooled cash and investments	\$ 245,228	\$ 273,537	\$ 264,151	\$ 254,614
Total assets	<u>\$ 245,228</u>	<u>\$ 273,537</u>	<u>\$ 264,151</u>	<u>\$ 254,614</u>
Liabilities:				
Accounts payable	\$ 3,098	\$ 1,332	\$ 3,098	\$ 1,332
Intergovernmental payable	391	17,773	17,658	506
Due to students	241,739	254,432	243,395	252,776
Total liabilities.	<u>\$ 245,228</u>	<u>\$ 273,537</u>	<u>\$ 264,151</u>	<u>\$ 254,614</u>

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STATISTICAL SECTION

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	124-135
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	136-143
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	144-147
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	148-149
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	150-161

Sources: Sources are noted on the individual schedules.

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>
Governmental activities				
Net investment in capital assets	\$ 32,047,648	\$ 32,611,481	\$ 31,803,272	\$ 29,104,480
Restricted	5,985,512	5,924,425	5,852,768	7,502,554
Unrestricted (Deficit)	(60,507,812)	(63,008,117)	15,421,008	16,017,546
Total governmental activities net position	<u>\$ (22,474,652)</u>	<u>\$ (24,472,211)</u>	<u>\$ 53,077,048</u>	<u>\$ 52,624,580</u>

(1) Amounts have been restated to reflect implementation of GASB Statement No. 68 and 71 which was implemented in 2015.

Source: School District financial records.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 26,697,219	\$ 27,100,371	\$ 26,089,735	\$ 24,749,953	\$ 23,919,272	\$ 22,301,426
33,449,274	4,966,633	4,883,579	4,862,901	4,144,612	4,860,941
18,230,099	16,033,437	12,942,962	9,990,465	1,103,109	(2,954,828)
<u>\$ 78,376,592</u>	<u>\$ 48,100,441</u>	<u>\$ 43,916,276</u>	<u>\$ 39,603,319</u>	<u>\$ 29,166,993</u>	<u>\$ 24,207,539</u>

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 22,211,994	\$ 24,689,245	\$ 23,734,781	\$ 23,352,699
Special	7,246,667	7,199,739	7,324,149	5,113,771
Vocational	1,000,860	916,454	189,647	279,679
Adult/Continuing	3,275	12,034	96,247	75,712
Other instructional	1,565,581	1,707,338	2,047,292	1,982,160
Support services:				
Pupil	3,588,053	3,900,942	3,977,719	3,688,102
Instructional staff	1,732,345	2,063,238	1,697,184	3,893,297
Board of education	46,916	50,915	36,145	34,898
Administration	2,744,778	3,154,314	2,841,239	3,111,459
Fiscal	1,302,611	1,450,781	1,292,707	1,339,376
Business	504,915	490,493	464,546	417,407
Operations and maintenance	5,425,118	5,435,449	4,259,499	4,563,603
Pupil transportation	3,968,862	4,186,528	4,574,030	4,529,102
Central	319,218	307,709	322,186	116,643
Operation of non-instructional services				
Food service operations	1,215,531	1,283,386	1,203,488	1,345,128
Other non-instructional services	1,305,906	1,117,682	1,059,550	726,157
Extracurricular activities	1,451,391	1,624,770	1,614,625	1,539,352
Interest and fiscal charges	4,884,193	5,167,269	5,247,443	5,259,363
Total governmental activities expenses	<u>\$ 60,518,214</u>	<u>\$ 64,758,286</u>	<u>\$ 61,982,477</u>	<u>\$ 61,367,908</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 23,000,156	\$ 22,316,141	\$ 22,673,208	\$ 20,733,249	\$ 20,374,661	\$ 20,190,940
5,355,715	4,879,232	4,526,920	3,966,107	3,717,072	3,555,142
277,138	283,704	455,026	426,626	397,990	477,265
93,920	65,515	75,909	36,757	34,064	56,634
1,584,547	1,266,107	1,047,544	1,207,397	1,290,541	1,214,300
3,735,847	3,513,646	3,471,572	3,212,792	3,048,974	2,963,597
3,631,697	3,481,561	3,391,280	3,042,408	2,870,362	2,671,046
31,539	25,952	34,216	27,009	45,462	27,125
2,946,534	2,987,406	3,117,290	2,927,678	2,919,666	2,829,414
1,246,556	1,212,175	1,164,119	1,189,276	1,067,467	1,084,520
345,423	359,885	467,300	436,519	454,909	394,801
4,709,177	4,726,262	4,560,697	4,420,612	4,317,707	4,126,995
4,679,476	4,506,745	4,196,978	3,956,627	3,758,572	3,307,927
151,995	154,053	145,385	120,267	108,327	142,244
1,276,077	1,233,229	1,171,096	1,131,429	1,072,986	927,577
736,810	752,129	830,827	766,805	870,831	696,189
1,604,308	1,627,922	1,544,201	1,544,991	1,423,143	1,352,070
4,815,718	1,064,601	1,050,230	1,104,594	1,127,099	1,304,616
<u>\$ 60,222,633</u>	<u>\$ 54,456,265</u>	<u>\$ 53,923,798</u>	<u>\$ 50,251,143</u>	<u>\$ 48,899,833</u>	<u>\$ 47,322,402</u>

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

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 366,573	\$ 273,587	\$ 356,263	\$ 344,761
Special	-	-	-	-
Vocational	-	-	-	-
Adult/Continuing	19,305	20,466	3,670	7,832
Support services:				
Pupil	-	-	-	-
Instructional staff	-	1,858	15,854	2,998
Board of education	-	-	1,363	-
Administration	-	-	7,406	95,575
Fiscal	-	-	-	-
Business	-	-	-	-
Operations and maintenance	62,282	50,241	62,754	52,158
Pupil transportation	30,199	37,384	23,789	22,711
Central	-	-	2,946	-
Operation of non-instructional services:				
Food service operations	858,059	868,105	926,508	1,028,386
Other non-instructional services	538,681	478,299	429,751	331,146
Extracurricular activities	468,648	505,537	501,140	516,564
Operating grants and contributions:				
Instruction:				
Regular	178,710	105,712	151,985	131,041
Special	772,515	690,652	537,280	404,208
Vocational	2,543	1,745	-	-
Adult/Continuing	12,881	7,616	80,696	71,138
Other	294,726	329,821	344,380	278,973
Support services:				
Pupil	172,447	276,567	263,050	243,120
Instructional staff	72,094	118,751	84,855	261,991
Board of education	-	-	290	-
Administration	1,934	7,003	9,982	13,101
Operations and maintenance	-	9	-	236
Pupil transportation	257,050	301,566	235,326	241,122
Central	-	12,600	13,226	12,600
Operation of non-instructional services:				
Food service operations	314,915	299,765	299,107	318,533
Other non-instructional services	677,803	662,317	532,958	498,097
Extracurricular activities	219,766	158,876	151,158	151,664
Interest and fiscal charges	1,170,112	1,630,556	1,680,633	1,757,065
Capital grants and contributions:				
Instruction:				
Regular	-	-	-	-
Support services:				
Pupil transportation	-	-	-	-
Total governmental program revenues	<u>\$ 6,491,243</u>	<u>\$ 6,839,033</u>	<u>\$ 6,716,370</u>	<u>\$ 6,785,020</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (54,026,971)</u>	<u>\$ (57,919,253)</u>	<u>\$ (55,266,107)</u>	<u>\$ (54,582,888)</u>

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$	150,267	\$ 149,017	\$ 145,688	\$ 152,776	\$ 118,726	\$ 109,724
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,702	1,276	2,660	-	-	-
	-	-	-	-	-	-
	109	679	2,390	-	-	-
	-	-	253	97	-	-
	84,845	81,151	85,259	84,816	87,421	128,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	42,216	66,563	97,238	91,900	89,231	83,044
	9,662	8,867	235,506	263,872	121,090	22,242
	-	-	-	-	-	-
	982,339	963,486	933,603	948,821	866,401	867,448
	267,213	260,349	247,519	268,965	266,439	212,786
	486,912	553,066	507,994	578,185	531,518	533,335
	268,130	273,727	441,448	67,572	173,634	46,455
	758,975	627,566	443,996	531,496	584,854	417,238
	-	-	-	-	-	-
	90,750	52,876	70,844	67,048	37,651	65,289
	318,969	291,851	-	-	-	-
	337,910	379,539	206,538	196,527	135,839	183,967
	308,232	276,923	249,131	305,478	260,434	258,771
	-	-	52	18	-	-
	13,677	8,968	753	-	-	-
	180,441	158,119	-	-	-	-
	200,039	407,412	-	-	-	-
	20,925	23,243	32,781	35,315	34,824	34,759
	274,306	250,721	215,760	177,214	163,190	139,300
	496,917	486,846	489,310	498,673	540,665	630,693
	180,309	142,276	119,935	104,619	108,061	107,659
	1,351,964	-	-	-	-	-
	-	-	-	27,880	-	-
	-	-	47,281	25,712	-	-
\$	<u>6,826,809</u>	<u>\$ 5,464,521</u>	<u>\$ 4,575,939</u>	<u>\$ 4,426,984</u>	<u>\$ 4,119,978</u>	<u>\$ 3,840,710</u>
\$	<u>(53,395,824)</u>	<u>\$ (48,991,744)</u>	<u>\$ (49,347,859)</u>	<u>\$ (45,824,159)</u>	<u>\$ (44,779,855)</u>	<u>\$ (43,481,692)</u>

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

CHANGES IN NET POSTION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 38,970,696	\$ 43,338,398	\$ 39,299,209	\$ 39,089,032
Debt service	6,767,839	7,473,410	6,892,556	6,890,778
Payments in lieu of taxes	227,500	-	-	-
Grants and entitlements not restricted to specific programs	9,752,076	9,492,994	9,040,496	9,901,584
Investment earnings	169,939	175,372	147,324	392,826
Gain on sale of capital assets	-	-	-	-
Miscellaneous	136,480	367,788	338,990	127,830
Total governmental activities	<u>\$ 56,024,530</u>	<u>\$ 60,847,962</u>	<u>\$ 55,718,575</u>	<u>\$ 56,402,050</u>
Change in Net Position				
Governmental activities	<u>\$ 1,997,559</u>	<u>\$ 2,928,709</u>	<u>\$ 452,468</u>	<u>\$ 1,819,162</u>

Source: School District financial records.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 39,263,204	\$ 39,046,558	\$ 39,762,946	\$ 43,133,279	\$ 37,720,302	\$ 33,550,807
5,829,681	2,737,032	2,625,491	2,820,681	2,981,953	3,894,057
-	-	-	-	-	-
11,180,263	11,003,434	10,290,480	9,198,641	7,945,412	7,357,649
545,781	280,765	782,731	1,010,579	977,551	730,754
-	-	-	-	1,632	-
155,827	108,120	199,168	134,559	112,459	88,907
<u>\$ 56,974,756</u>	<u>\$ 53,175,909</u>	<u>\$ 53,660,816</u>	<u>\$ 56,297,739</u>	<u>\$ 49,739,309</u>	<u>\$ 45,622,174</u>
<u>\$ 3,578,932</u>	<u>\$ 4,184,165</u>	<u>\$ 4,312,957</u>	<u>\$ 10,473,580</u>	<u>\$ 4,959,454</u>	<u>\$ 2,140,482</u>

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:				
Nonspendable	\$ 3,796	\$ 5,980	\$ 4,546	\$ 5,339
Committed	1,549,807	1,570,207	-	-
Assigned	7,209,668	8,596,012	12,080,739	9,291,068
Unassigned	13,284,916	8,638,397	6,786,159	10,916,608
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
Total general fund	<u>\$ 22,048,187</u>	<u>\$ 18,810,596</u>	<u>\$ 18,871,444</u>	<u>\$ 20,213,015</u>
All Other Governmental Funds:				
Nonspendable	\$ 3,198	\$ 3,365	\$ 2,653	\$ 14,018
Restricted	8,383,214	8,194,993	25,702,190	69,160,731
Committed	-	690	686	-
Unassigned (deficit)	-	(56,743)	(64)	(471)
Reserved	-	-	-	-
Unreserved (deficit), reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 8,386,412</u>	<u>\$ 8,142,305</u>	<u>\$ 25,705,465</u>	<u>\$ 69,174,278</u>
Total governmental funds	<u>\$ 30,434,599</u>	<u>\$ 26,952,901</u>	<u>\$ 44,576,909</u>	<u>\$ 89,387,293</u>

Source: School District financial records.

Note: The School District implemented GASB 54 in 2011.

2011	2010	2009	2008	2007	2006
\$ 6,540	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,942,446	-	-	-	-	-
19,342,998	-	-	-	-	-
-	7,668,287	8,064,469	7,826,707	6,406,103	4,585,206
-	13,180,434	10,857,245	6,362,075	204,662	(1,189,649)
<u>\$ 22,291,984</u>	<u>\$ 20,848,721</u>	<u>\$ 18,921,714</u>	<u>\$ 14,188,782</u>	<u>\$ 6,610,765</u>	<u>\$ 3,395,557</u>
\$ 9,020	\$ -	\$ -	\$ -	\$ -	\$ -
87,957,784	-	-	-	-	-
-	-	-	-	-	-
(1,794)	-	-	-	-	-
-	4,423,702	4,215,267	3,945,718	3,472,172	4,019,137
-	325,863	516,687	575,333	588,056	604,950
-	(75,436)	11,436	10,902	23,537	142,183
-	-	-	-	-	-
<u>\$ 87,965,010</u>	<u>\$ 4,674,129</u>	<u>\$ 4,743,390</u>	<u>\$ 4,531,953</u>	<u>\$ 4,083,765</u>	<u>\$ 4,766,270</u>
<u>\$ 110,256,994</u>	<u>\$ 25,522,850</u>	<u>\$ 23,665,104</u>	<u>\$ 18,720,735</u>	<u>\$ 10,694,530</u>	<u>\$ 8,161,827</u>

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues				
From local sources:				
Property taxes	\$ 48,890,476	\$ 49,027,107	\$ 46,029,492	\$ 45,596,405
Payment in lieu of taxes	227,500	-	-	-
Tuition	839,728	676,943	698,154	688,926
Transportation fees	30,199	37,384	23,789	22,711
Charges for services	858,059	868,105	926,508	1,028,386
Earnings on investments	163,358	180,519	172,815	431,229
Extracurricular	276,493	313,778	332,604	313,010
Classroom materials and fees	241,858	234,840	245,786	257,721
Contributions and donations	222,504	201,817	155,672	212,665
Rental income	84,561	79,244	85,532	73,317
Other local revenues	173,001	301,969	343,566	84,901
Intergovernmental	13,659,297	13,766,095	13,205,762	14,191,851
Total revenues	<u>65,667,034</u>	<u>65,687,801</u>	<u>62,219,680</u>	<u>62,901,122</u>
Expenditures				
Current:				
Instruction:				
Regular	20,232,577	22,186,800	23,173,399	23,070,405
Special	7,239,817	7,024,234	7,368,927	5,027,566
Vocational	948,826	865,520	170,464	261,561
Adult/Continuing	3,125	4,874	89,426	68,779
Other	1,535,347	1,753,655	2,029,622	1,991,929
Current:				
Pupil	3,610,121	3,766,263	3,904,547	3,657,070
Instructional staff	1,697,595	1,878,517	1,733,345	3,836,991
Board of education	46,916	50,915	36,145	34,898
Administration	2,716,512	2,984,298	2,746,947	3,048,722
Fiscal	1,286,694	1,452,074	1,271,810	1,332,699
Business	417,487	467,070	443,576	414,840
Operations and maintenance	5,004,548	5,089,408	4,173,108	4,426,443
Pupil transportation	3,749,652	4,005,405	4,402,418	4,221,894
Central	317,245	303,174	301,020	113,063
Operation of non-instructional services:				
Food service operations	1,097,093	1,178,951	1,168,207	1,302,398
Other non-instructional services	1,342,690	1,121,698	1,044,019	725,855
Extracurricular activities	1,362,133	1,516,214	1,599,205	1,502,937
Facilities acquisitions and construction	1,286,258	18,156,604	43,669,157	19,583,160
Capital outlay	430,188	-	-	-
Debt service:				
Principal retirement	4,218,462	4,706,118	4,389,907	4,029,164
Interest and fiscal charges	3,890,105	4,816,384	4,952,402	4,977,989
Bond issuance costs	518,259	-	-	108,493
Total expenditures	<u>62,951,650</u>	<u>83,328,176</u>	<u>108,667,651</u>	<u>83,736,856</u>
Excess of revenues over (under) expenditures	2,715,384	(17,640,375)	(46,447,971)	(20,835,734)
Other Financing Sources (Uses)				
Transfers in	10,000	65,252	10,000	10,000
Transfers (out)	(10,000)	(65,252)	(10,000)	(10,000)
Payment to refunded bond escrow agent	(60,711,594)	-	-	(6,967,612)
Sale of capital assets	170	16,367	-	427
Inception of Lease	430,188	-	-	-
Bonds issued	58,530,000	-	-	6,540,000
Premium on bonds	2,517,550	-	-	393,218
Total other financing sources (uses)	<u>766,314</u>	<u>16,367</u>	<u>-</u>	<u>(33,967)</u>
Net change in fund balances	<u>\$ 3,481,698</u>	<u>\$ (17,624,008)</u>	<u>\$ (46,447,971)</u>	<u>\$ (20,869,701)</u>
Capital expenditures (included in expenditures above)	859,546	18,459,012	44,202,354	20,111,718
Debt service principal and interest as a percentage of noncapital expenditures	13.059%	14.680%	14.492%	14.157%

Source: School District financial records.

	2011	2010	2009	2008	2007	2006
\$	45,089,726	\$ 41,131,376	\$ 43,331,596	\$ 44,919,560	\$ 41,112,568	\$ 37,291,262
	-	-	-	-	-	-
	425,948	403,330	417,510	461,172	431,003	411,740
	9,662	8,867	17,201	15,676	23,897	22,242
	982,339	963,486	933,603	948,821	866,401	867,448
	562,239	278,293	802,027	990,006	984,115	664,008
	291,336	332,193	326,839	386,484	330,093	297,213
	253,414	289,196	242,364	237,183	243,008	274,892
	185,001	154,134	130,720	110,446	227,348	108,268
	46,146	70,613	102,288	91,900	89,231	83,044
	172,247	124,889	199,168	134,559	112,459	88,907
	15,722,569	14,206,900	12,925,406	11,136,896	9,745,061	9,236,576
	<u>63,740,627</u>	<u>57,963,277</u>	<u>59,428,722</u>	<u>59,432,703</u>	<u>54,165,184</u>	<u>49,345,600</u>
	22,340,830	22,074,806	21,540,301	20,467,323	20,277,095	19,199,554
	5,270,067	4,871,042	4,362,750	3,833,676	3,695,144	3,598,717
	258,978	271,866	433,570	419,596	389,208	464,226
	86,987	58,582	106,960	37,994	34,064	63,625
	1,579,574	1,262,671	1,041,855	1,204,857	1,293,840	1,188,732
	3,630,520	3,444,392	3,332,392	3,166,059	2,978,081	2,852,742
	3,569,005	3,411,558	3,243,215	2,917,571	2,831,709	2,677,746
	31,539	25,952	34,216	27,009	45,462	27,125
	2,960,532	2,975,946	3,046,009	2,738,591	2,880,859	2,868,430
	1,226,200	1,183,863	1,169,785	1,149,518	1,074,777	1,107,229
	383,740	349,305	452,497	435,762	391,821	424,687
	4,720,517	4,450,026	4,482,016	4,163,862	4,067,776	3,837,147
	4,691,657	4,628,794	4,247,517	3,890,867	3,855,696	3,246,356
	147,655	153,295	141,709	112,689	104,855	140,866
	1,230,889	1,200,931	1,167,000	1,078,495	1,057,083	925,578
	734,860	748,294	792,378	768,356	872,274	735,560
	1,576,940	1,632,120	1,542,829	1,516,854	1,390,364	1,370,828
	2,979,138	536,858	660,047	822,693	380,169	305,272
	-	-	348,014	-	-	-
	2,103,859	1,978,966	1,816,167	1,694,658	3,023,696	2,722,834
	4,209,828	847,164	872,284	929,315	994,317	1,193,647
	714,366	-	-	-	66,290	-
	<u>64,447,681</u>	<u>56,106,431</u>	<u>54,833,511</u>	<u>51,375,745</u>	<u>51,704,580</u>	<u>48,950,901</u>
	(707,054)	1,856,846	4,595,211	8,056,958	2,460,604	394,699
	10,000	10,000	10,000	12,089	9,570	10,000
	(10,000)	(10,000)	(10,000)	(12,089)	(9,570)	(10,000)
	-	-	-	-	(3,996,593)	-
	407	900	1,144	6,501	4,600	-
	-	-	348,014	-	-	-
	84,055,000	-	-	-	3,785,000	-
	1,385,791	-	-	-	279,092	-
	<u>85,441,198</u>	<u>900</u>	<u>349,158</u>	<u>6,501</u>	<u>72,099</u>	<u>-</u>
\$	<u>84,734,144</u>	<u>\$ 1,857,746</u>	<u>\$ 4,944,369</u>	<u>\$ 8,063,459</u>	<u>\$ 2,532,703</u>	<u>\$ 394,699</u>
	3,818,908	1,516,369	1,337,258	1,000,439	285,117	5,775,497
	10.414%	5.177%	5.025%	5.209%	7.814%	9.071%

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

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

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2015	\$ 1,340,030,420	\$ 3,828,658,343	\$ -	\$ -	\$ 25,237,460	\$ 28,678,932
2014	1,330,437,240	3,801,249,257	-	-	24,094,940	27,380,614
2013 (2)	1,344,496,130	3,841,417,514	-	-	21,853,120	24,833,091
2012	1,345,136,450	3,843,247,000	-	-	19,742,750	22,434,943
2011	1,351,387,610	3,861,107,457	-	-	18,395,760	20,904,273
2010 (3)	1,346,534,600	3,847,241,714	-	-	17,904,860	20,346,432
2009	1,382,016,100	3,948,617,429	12,193,793	195,100,688	16,859,840	19,158,909
2008	1,370,873,670	3,916,781,914	21,832,430	174,659,440	15,913,580	18,083,616
2007 (2)	1,366,677,360	3,904,792,457	57,142,606	248,446,113	20,385,360	23,165,182
2006	1,230,619,170	3,516,054,771	68,945,138	299,761,470	20,367,010	23,144,330

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

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at varying rates of actual value.
 Tangible personal property, including inventory, was eliminated in calendar year 2009.

(2) Reappraisal of property values.

(3) Triennial update of property values.

Total			
Assessed Value	Estimated Actual Value	%	Total Direct Tax Rate
\$ 1,365,267,880	\$ 3,857,337,275	35.39%	\$ 70.10
1,354,532,180	3,828,629,871	35.38%	70.10
1,366,349,250	3,866,250,605	35.34%	70.10
1,364,879,200	3,865,681,943	35.31%	70.10
1,369,783,370	3,882,011,730	35.29%	70.10
1,364,439,460	3,867,588,146	35.28%	66.70
1,411,069,733	4,162,877,026	33.90%	66.50
1,408,619,680	4,109,524,970	34.28%	66.50
1,444,205,326	4,176,403,752	34.58%	66.50
1,319,931,318	3,838,960,571	34.38%	60.80

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

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

Tax Year/ Collection Year	Overlapping Rates (1)			Direct Rates			
	County	Library	City	Voted		Unvoted	Total
				General	Bond		
2014/2015	\$ 14.05	\$ 2.80	\$ 9.52	\$ 58.60	\$ 5.70	\$ 5.80	\$ 70.10
2013/2014	14.05	2.80	9.52	58.60	5.70	5.80	70.10
2012/2013	13.22	2.80	9.52	58.60	5.70	5.80	70.10
2011/2012	13.22	2.80	9.60	58.60	5.70	5.80	70.10
2010/2011	13.32	2.80	9.60	58.60	5.70	5.80	70.10
2009/2010	13.32	2.80	9.60	58.60	2.30	5.80	66.70
2008/2009	13.42	2.80	9.60	58.60	2.10	5.80	66.50
2007/2008	13.42	2.50	9.80	58.60	2.10	5.80	66.50
2006/2007	13.52	2.50	9.90	58.60	2.10	5.80	66.50
2005/2006	13.52	2.50	10.00	51.70	3.30	5.80	60.80

(1) Certain tax rates revised from prior year based upon new information obtained by the District.

Source: Cuyahoga County Fiscal Officer's Office

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2014 AND DECEMBER 31, 2005

December 31, 2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Crocker Park LLC	\$ 44,821,280	1	3.34%
Cleveland Electric Illuminating Co.	20,308,650	2	1.52%
Promenade Delaware	12,272,510	3	0.92%
Energizer Battery Company	7,101,510	4	0.53%
ARC Westlake Village, Inc.	6,508,500	5	0.49%
Remington Apartments LLC	6,499,330	6	0.49%
BCM Westlake LLC	6,048,360	7	0.45%
Village in the Park	5,449,500	8	0.41%
Sturbridge Square LLC	5,348,010	9	0.40%
DRG Hunter's Chase LLC	5,297,080	10	0.40%
Total	\$ 119,654,730		8.95%
Total Real Estate Valuation	\$ 1,340,030,420		

December 31, 2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Toledo Lucas County Port Authority	\$ 34,624,750	1	2.81%
Westlake Center Association Ltd.	11,229,580	2	0.91%
Energizer Battery Manufacturing	7,417,280	3	0.60%
University Hospitals	7,215,120	4	0.59%
Remington Inc.	6,239,700	5	0.51%
Crossings Village LLC	5,838,600	6	0.47%
Sturbridge Square Apartments	5,630,070	7	0.46%
Cleveland Retirement Properties	5,600,040	8	0.46%
WXZ Arbors, LLC	5,451,880	9	0.44%
OZRE Lodging II LLC	5,224,140	10	0.42%
Total	\$ 94,471,160		7.67%
Total Real Estate Valuation	\$ 1,230,619,170		

Source: Cuyahoga County Fiscal Officer's Office

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

**PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY AND PUBLIC UTILITY PROPERTY TAX
DECEMBER 31, 2014 AND DECEMBER 31, 2005**

December 31, 2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 20,308,650	1	80.47%
Columbia Gas of Ohio	3,413,740	2	13.53%
Total	\$ 23,722,390		94.00%
Total Tangible Personal Property and Public Utility Assessed Valuation			
	\$ 25,237,460		

December 31, 2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 12,396,170	1	13.88%
USG Interiors Inc.	7,866,900	2	8.81%
Ohio Bell Telephone Company	3,801,610	3	4.26%
Bonne Bell, Inc.	2,895,870	4	3.24%
Aluminum Line Products, Co.	2,858,700	5	3.20%
Energizer Battery	2,526,930	6	2.83%
Columbia Gas of Ohio, Inc.	1,953,080	7	2.19%
True Value Company	1,916,240	8	2.15%
John M. Lance Ford, LLC	1,655,392	9	1.85%
American Transmission	1,096,770	10	1.23%
Total	\$ 38,967,662		43.63%
Total Tangible Personal Property and Public Utility Assessed Valuation			
	\$ 89,312,148		

Source: Cuyahoga County Fiscal Officer's Office

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

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy (2)	Total Levy	Current Collection	Percent of Current Levy Collected
2014/2015	\$ 53,330,410	\$ 2,080,194	\$ 55,410,604	\$ 51,421,351	96.42%
2013/2014	52,734,065	2,490,055	55,224,120	50,798,705	96.33%
2012/2013	52,510,301	2,583,953	55,094,254	48,860,615	93.05%
2011/2012	52,383,722	1,845,185	54,228,907	49,233,603	93.99%
2010/2011	51,791,950	2,462,228	54,254,178	49,535,385	95.64%
2009/2010	46,835,159	2,407,628	49,242,787	45,410,732	96.96%
2008/2009	46,531,097	1,875,415	48,406,512	44,880,351	96.45%
2007/2008	47,386,744	2,045,810	49,432,554	45,407,786	95.82%
2006/2007	48,577,064	1,823,623	50,400,687	46,836,166	96.42%
2005/2006	39,789,285	1,756,087	41,545,372	39,743,798	99.89%

Source: Cuyahoga County Fiscal Officer's Office

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

(2) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions.

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 1,055,449	\$ 52,476,800	94.71%
1,971,970	52,770,675	95.56%
1,242,923	50,103,538	90.94%
1,447,349	50,680,952	93.46%
1,310,486	50,845,871	93.72%
1,283,853	46,694,585	94.83%
891,324	45,771,675	94.56%
1,597,512	47,005,298	95.09%
952,159	47,788,325	94.82%
1,175,113	40,918,911	98.49%

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

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

Fiscal Year	Governmental Activities					
	(a) General Obligation Bonds	Capital Leases	Total Primary Government	(b) Per Capita	(b) Per ADM	(c) Percentage of Personal Income
2015	\$ 90,689,041	\$ 351,726	\$ 91,040,767	\$ 2,782	\$ 22,429	6.69%
2014	93,690,747	-	93,690,747	2,863	23,816	6.88%
2013	98,150,611	81,118	98,231,729	3,001	24,632	7.22%
2012	102,354,337	156,025	102,510,362	3,132	25,218	7.53%
2011	104,969,676	225,189	105,194,865	3,214	26,019	7.73%
2010	21,371,791	289,048	21,660,839	677	5,394	1.83%
2009	23,094,011	348,014	23,442,025	733	5,801	1.98%
2008	24,745,683	11,167	24,756,850	774	6,007	2.09%
2007	26,273,112	20,825	26,293,937	822	6,398	2.22%
2006	29,097,239	29,521	29,126,760	911	7,160	2.46%

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information. Includes accreted interest on capital appreciation bonds and unamortized premiums.

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

(c) See schedule "Demographic and Economic Statistic, Last Ten Years" for per capita personal income and population. Personal income equals per capital personal income times population.

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

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

Fiscal Year	(a) Total General Obligation Bonded Debt	Net Position Restricted for Debt Service	Net General Obligation Bonded Debt	(b) Percentage of Actual Taxable Value of Property	(c) Per Capita
2015	\$ 90,689,041	\$ 4,195,669	\$ 86,493,372	2.24%	\$ 2,643
2014	93,690,747	4,420,547	89,270,200	2.33%	2,728
2013	98,150,611	4,502,719	93,647,892	2.42%	2,861
2012	102,354,337	6,449,616	95,904,721	2.48%	2,930
2011	104,969,676	6,177,809	98,791,867	2.54%	3,018
2010	21,371,791	4,378,630	16,993,161	0.44%	532
2009	23,094,011	4,086,581	19,007,430	0.46%	595
2008	24,745,683	3,848,916	20,896,767	0.51%	654
2007	26,273,112	3,353,147	22,919,965	0.55%	717
2006	29,097,239	4,048,838	25,048,401	0.65%	783

Sources:

- (a) See notes to the financial statements regarding the District's outstanding debt information. Includes accreted interest on capital appreciation bonds and unamortized premiums.
- (b) See schedule "Assessed Valuation and Estimated Actual Value of Taxable Property" for assessed valuation of property.
- (c) See schedule "Demographic and Economic Statistic, Last Ten Years" for population information.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

<u>Governmental Unit</u>	<u>Debt Attributable to Governmental Activities</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Westlake City School District	\$ 91,040,767	100.00%	\$ 91,040,767
Overlapping debt:			
Cuyahoga County	262,275,000	4.92%	12,903,930
Regional Transit Authority	102,840,000	4.92%	5,059,728
City of Westlake	<u>58,500,000</u>	100.00%	<u>58,500,000</u>
Total overlapping debt	<u>423,615,000</u>		<u>76,463,658</u>
Total direct and overlapping debt	<u>\$ 514,655,767</u>		<u>\$ 167,504,425</u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2014 collection year.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit (1)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2015	\$ 122,874,109	\$ 83,600,000	\$ 7,419,662	\$ 76,180,338	\$ 46,693,771	62.00%
2014	121,907,896	89,205,000	6,524,247	82,680,753	39,227,143	67.82%
2013	122,971,433	91,705,790	6,450,170	85,255,620	35,591,603	69.33%
2012	122,839,128	93,113,312	6,466,914	86,646,398	29,743,114	70.54%
2011	123,280,503	97,524,685	6,263,482	91,261,203	25,841,524	74.03%
2010	122,799,551	15,986,413	4,300,664	11,685,749	111,113,802	9.52%
2009	125,898,835	18,227,070	4,062,615	14,164,455	111,734,380	11.25%
2008	124,810,853	20,298,344	3,756,053	16,542,291	108,268,562	13.25%
2007	124,393,537	22,507,723	3,338,117	19,169,606	105,223,931	15.41%
2006	118,793,819	24,486,162	3,915,579	20,570,583	98,223,236	17.32%

Voted Debt Limit Calculation for Fiscal Year 2014

Assessed Value	\$ 1,365,267,880
Debt Limit (9% of assessed value)	X 9%
Voted Debt Limit	<u>\$ 122,874,109</u>

Source: Cuyahoga County Fiscal Officer and District financial records

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

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

Note: Beginning in 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude general business tangible personal property as well as railroad and telephone tangible property. See Note 10 to the basic financial statements for detail.

(1) Excludes unamortized premiums and accreted interest on capital appreciation bonds.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (3)</u>	<u>School Enrollment (4)</u>	<u>Unemployment Rates (5)</u>		
					<u>Cuyahoga County</u>	<u>Ohio</u>	<u>United States</u>
2015	32,729	\$ 41,588	45.0	4,059	5.0%	4.3%	5.2%
2014	32,729	41,588	45.0	3,934	7.9%	5.5%	6.1%
2013	32,729	41,588	45.0	3,988	7.3%	7.2%	7.6%
2012	32,729	41,588	45.0	4,065	6.9%	7.0%	7.8%
2011	32,729	41,588	45.0	4,043	8.8%	9.2%	9.3%
2010	31,972	37,044	42.0	4,016	9.7%	10.0%	9.6%
2009	31,972	37,044	42.0	4,041	10.2%	11.2%	10.2%
2008	31,972	37,044	42.0	4,121	5.7%	6.6%	5.5%
2007	31,972	37,044	42.0	4,110	5.7%	5.5%	4.4%
2006	31,972	37,044	42.0	4,068	4.8%	4.7%	4.4%

Sources:

- (1) U. S. Census Bureau
- (2) U. S. Census Bureau
- (3) U. S. Census Bureau
- (4) School District records
- (5) Bureau of Labor Statistics

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>December 31, 2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
St. John Westshore Hospital	1,526	1	6.18%
Hyland Software	1,458	2	5.90%
Cheesecake Factory	679	3	2.75%
Westlake City School District	670	4	2.71%
University Hospitals	492	5	1.99%
TA Operating LLC	483	6	1.96%
City of Westlake	441	7	1.79%
Lutheran Home	427	8	1.73%
ARC Westlake Village Inc.	413	9	1.67%
Premier Physicians Centers Inc.	260	10	1.05%
Total	<u>6,849</u>		<u>27.73%</u>
Total City Employment	<u>24,705</u>		

<u>Employer</u>	<u>December 31, 2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
St. John Westshore Hospital	1,240	1	4.83%
Westlake City Schools	552	2	2.15%
Energizer	500	3	1.95%
Hyland Software	438	4	1.71%
Bonne Bell	435	5	1.69%
City of Westlake	405	6	1.58%
USG Interiors/American Metals	301	7	1.17%
Harborside Healthcare	300	8	1.17%
Lutheran Home	291	9	1.13%
Travel Centers of America	280	10	1.09%
Total	<u>4,742</u>		<u>18.47%</u>
Total City Employees	<u>25,679</u>		

Source: City of Westlake, Ohio, Department of Planning of Economic Development - amounts are estimates. Total City employment based upon estimate from the Regional Income Tax Authority 2014 withholding information.

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

STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE
LAST TEN FISCAL YEARS

<u>Type</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Professional Staff:				
Teaching Staff:				
Elementary	88	88	92	92
Intermediate	43	41	42	43
Middle	43	48	50	50
High	75	87	89	89
Administration:				
District	20	20	20	22
Auxiliary Positions:				
Counselors	9	7	10	10
Nurses	2	2	2	2
Speech	7	7	7	8
Mental Health Specialists	4	4	4	4
Support Staff:				
Secretarial	36	42	42	42
Aides	68	68	71	72
Hall monitor/Security	9	9	9	9
Technical	3	2	2	2
Cooks	34	21	34	33
Custodial	37	38	34	34
Maintenance	7	6	6	6
Bus Driver	61	56	70	73
Mechanics	3	3	3	3
Extracurricular	200	200	200	200
Total	<u>749</u>	<u>749</u>	<u>787</u>	<u>794</u>

Source: School District records
Head-count only

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
87	87	87	87	87	86
43	43	41	41	41	41
50	50	46	45	45	45
89	89	93	93	92	92
21	20	21	21	21	21
10	10	10	10	10	10
2	2	2	2	2	2
8	8	7	6	5	4
4	4	4	4	2	2
42	42	42	42	42	42
72	68	67	67	66	63
12	12	12	12	12	12
2	2	2	2	2	2
33	33	33	33	33	33
34	35	35	35	35	35
6	6	6	6	6	6
78	76	70	69	64	64
3	3	3	3	3	3
<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
<u>796</u>	<u>790</u>	<u>781</u>	<u>778</u>	<u>768</u>	<u>763</u>

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

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2015	2014	2013	2012
Instruction:				
Regular and Special				
Enrollment (students)	4,059	3,934	3,988	4,065
Graduates	322	357	314	309
Support services:				
Instructional staff				
Library				
Daily circulation	707	659	824	791
Board of education				
Regular meetings per year	12	12	12	12
Administration				
Student attendance percentage	95.7%	95.7%	95.4%	95.4%
Fiscal				
Purchase orders processed	6,325	6,227	5,846	5,534
Nonpayroll checks issued	4,967	4,949	5,182	5,183
Operations and maintenance				
Work orders completed	482	558	597	578
Square footage maintained	822,594	822,594	608,159	608,159
Central				
Work orders completed	2,075	2,070	1,849	1,885
Extracurricular activities				
Varsity teams	22	22	22	22
Junior varsity teams	19	19	19	19
Food service operations				
Meals served to students	226,991	227,870	228,464	266,278

Source: School District records

n/a - information not available.

2011	2010	2009	2008	2007	2006
4,043	4,016	4,041	4,121	4,110	4,068
310	324	314	334	314	n/a
759	759	759	763	773	761
12	12	12	12	12	12
95.4%	95.0%	95.8%	95.4%	95.4%	95.7%
5,450	5,777	5,758	6,800	6,458	5,687
5,231	5,342	6,221	5,281	5,139	4,754
473	590	606	771	929	879
608,159	608,159	608,159	608,159	608,159	608,159
1,659	2,173	1,803	1,458	1,752	1,309
22	22	22	22	21	21
19	19	19	19	19	19
252,337	237,418	219,937	185,381	186,355	163,605

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Land	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751
Construction in progress	122,167	-	66,212,623	22,561,980
Land improvements	140,847	148,088	155,329	162,570
Buildings and improvements	111,670,872	114,356,858	33,804,606	34,857,016
Furniture and equipment	2,003,405	1,696,724	1,797,168	1,921,098
Vehicles	1,195,607	1,405,631	1,594,653	1,748,308
Textbooks and library books	494,703	681,145	657,790	641,484
 Total Governmental Activities Capital Assets, net	 <u>\$ 118,096,352</u>	 <u>\$ 120,757,197</u>	 <u>\$ 106,690,920</u>	 <u>\$ 64,361,207</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

2011	2010	2009	2008	2007	2006
\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751
3,116,957	87,881	-	-	-	-
169,811	177,052	184,293	191,534	179,252	70,318
35,905,928	36,960,053	37,949,416	38,344,229	38,972,069	40,127,848
1,959,376	2,094,293	1,989,071	1,513,032	1,572,356	1,393,774
2,039,236	1,976,914	1,830,072	1,756,596	1,697,313	1,619,270
517,196	500,521	205,999	298,672	356,899	440,627
<u>\$ 46,177,255</u>	<u>\$ 44,265,465</u>	<u>\$ 44,627,602</u>	<u>\$ 44,572,814</u>	<u>\$ 45,246,640</u>	<u>\$ 46,120,588</u>

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

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Bassett Elementary (1967)					
Square feet	25,439	25,439	25,439	25,439	25,439
Capacity (students)	335	335	335	335	335
Enrollment	-	-	-	-	-
Bassett Elementary (1987)					
Square feet	10,267	10,267	10,267	10,267	10,267
Capacity (students)	335	335	335	335	335
Enrollment	-	-	-	-	-
Bassett Elementary (1998)					
Square feet	6,174	6,174	6,174	6,174	6,174
Capacity (students)	335	335	335	335	335
Enrollment	430	430	443	436	393
Dover Elementary (1949)					
Square feet	38,325	38,325	38,325	38,325	38,325
Capacity (students)	352	352	352	352	352
Enrollment	-	-	-	-	-
Dover Elementary (1970)					
Square feet	5,346	5,346	5,346	5,346	5,346
Capacity (students)	352	352	352	352	352
Enrollment	338	338	346	353	370
Hilliard Elementary (1954)					
Square feet	39,750	39,750	39,750	39,750	39,750
Capacity (students)	328	328	328	328	328
Enrollment	-	-	-	-	-
Hilliard Elementary (1998)					
Square feet	1,187	1,187	1,187	1,187	1,187
Capacity (students)	328	328	328	328	328
Enrollment	330	330	303	334	328
Holly Lane Elementary (1961)					
Square feet	33,297	33,297	33,297	33,297	33,297
Capacity (students)	283	283	283	283	283
Enrollment	-	-	-	-	-
Holly Lane Elementary (1998)					
Square feet	2,191	2,191	2,191	2,191	2,191
Capacity (students)	283	283	283	283	283
Enrollment	298	298	313	352	327
Parkside Intermediate (1966)					
Square feet	54,407	54,407	54,407	54,407	54,407
Capacity (students)	519	519	519	519	519
Enrollment	-	-	-	-	-
Parkside Intermediate (1998)					
Square feet	18,114	18,114	18,114	18,114	18,114
Capacity (students)	519	519	519	519	519
Enrollment	-	-	585	586	594
Lee Burneson Middle (1975)					
Square feet	18,853	18,853	18,853	18,853	18,853
Capacity (students)	-	-	-	-	-
Enrollment	-	-	-	-	-
Lee Burneson Middle (1982)					
Square feet	55,274	55,274	55,274	55,274	55,274
Capacity (students)	646	646	646	646	646
Enrollment	-	-	-	-	-

2010	2009	2008	2007	2006
25,439	25,439	25,439	25,439	25,439
335	335	335	335	335
-	-	-	-	-
10,267	10,267	10,267	10,267	10,267
335	335	335	335	335
-	-	-	-	-
6,174	6,174	6,174	6,174	6,174
335	335	335	335	335
386	394	384	388	388
38,325	38,325	38,325	38,325	38,325
352	352	352	352	352
-	-	-	-	-
5,346	5,346	5,346	5,346	5,346
352	352	352	352	352
383	389	395	421	406
39,750	39,750	39,750	39,750	39,750
328	328	328	328	328
-	-	-	-	-
1,187	1,187	1,187	1,187	1,187
328	328	328	328	328
315	309	316	324	369
33,297	33,297	33,297	33,297	33,297
283	283	283	283	283
-	-	-	-	-
2,191	2,191	2,191	2,191	2,191
283	283	283	283	283
328	307	324	304	296
54,407	54,407	54,407	54,407	54,407
519	519	519	519	519
-	-	-	-	-
18,114	18,114	18,114	18,114	18,114
519	519	519	519	519
590	630	642	618	619
18,853	18,853	18,853	18,853	18,853
-	-	646	646	646
-	-	-	-	-
55,274	55,274	55,274	55,274	55,274
646	646	646	646	646
-	-	-	-	-

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

SCHOOL BUILDING INFORMATION - Continued
LAST TEN FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Lee Burneson Middle (1998)					
Square feet	-	-	18,129	18,129	18,129
Capacity (students)	-	-	805	805	805
Enrollment	-	-	619	641	666
Dover Intermediate Schools (2014)					
Square feet	18,129	18,129	-	-	-
Capacity (students)	805	805	-	-	-
Enrollment	600	600	-	-	-
Lee Burneson Middle (2013)					
Square feet	103,100	103,100	-	-	-
Capacity (students)	1,040	1,040	-	-	-
Enrollment	624	624	-	-	-
Westlake High School (1960)					
Square feet	97,923	97,923	97,923	97,923	97,923
Capacity (students)	1,246	1,246	1,246	1,246	1,246
Enrollment	-	-	-	-	-
Westlake High School (1970)					
Square feet	39,651	39,651	39,651	39,651	39,651
Capacity (students)	1,246	1,246	1,246	1,246	1,246
Enrollment	-	-	-	-	-
Westlake High School (1988)					
Square feet	47,841	47,841	47,841	47,841	47,841
Capacity (students)	1,246	1,246	1,246	1,246	1,246
Enrollment	-	-	-	-	-
Westlake High School (1998)					
Square feet	22,691	22,691	22,691	22,691	22,691
Capacity (students)	1,246	1,246	1,246	1,246	1,246
Enrollment	-	-	-	-	-
Westlake High School (2004)					
Square feet	37,500	37,500	37,500	37,500	37,500
Capacity (students)	1,246	1,246	1,246	1,246	1,246
Enrollment	1,379	1,379	1,379	1,365	1,365
Westlake High School (2013)					
Square feet	325,941	325,941	-	-	-
Capacity (students)	2,106	2,106	-	-	-
Enrollment	1,314	1,314	-	-	-
Administration Building (Old)					
Square feet	-	-	-	-	-
Administration Building (2003)					
Square feet	15,000	15,000	15,000	15,000	15,000
Transportation Facility					
Square feet	14,300	14,300	14,300	14,300	14,300
Total Square Feet	822,594	822,594	601,659	601,659	601,659
Total Capacity	4,963	4,103	3,868	3,868	3,868
Total Enrollment	4,059	3,934	3,988	4,065	4,043

Source: School District records

Note: Year of original construction is in parentheses. Increases in square footage and capacity are the result of renovations and additions.

Capacity is defined by standardized guidelines. District exceeded those guidelines in some years

Administration facility demolished- Nov. 2010

Former Lee Burneson Facility renamed to Dover Intermediate School- 2014

2010	2009	2008	2007	2006
18,129	18,129	18,129	18,129	18,129
805	805	805	805	805
680	664	672	673	561
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
97,923	97,923	97,923	97,923	97,923
1,246	1,246	1,246	1,246	1,246
-	-	-	-	-
39,651	39,651	39,651	39,651	39,651
1,246	1,246	1,246	1,246	1,246
-	-	-	-	-
47,841	47,841	47,841	47,841	47,841
1,246	1,246	1,246	1,246	1,246
-	-	-	-	-
22,691	22,691	22,691	22,691	22,691
1,246	1,246	1,246	1,246	1,246
-	-	-	-	-
37,500	37,500	37,500	37,500	37,500
1,246	1,246	1,246	1,246	1,246
1,334	1,348	1,388	1,382	1,429
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,500	6,500	6,500	6,500	6,500
15,000	15,000	15,000	15,000	15,000
14,300	14,300	14,300	14,300	14,300
608,159	608,159	608,159	608,159	608,159
3,868	3,868	3,868	3,868	3,868
4,016	4,041	4,121	4,110	4,068

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil	
2015	\$ 54,324,824	\$ 13,384	\$ 55,634,021	\$ 13,706	4,059
2014	73,805,674	18,761	59,591,017	15,148	3,934
2013	99,325,342	24,906	56,735,034	14,226	3,988
2012	74,621,210	18,357	56,108,545	13,803	4,065
2011	57,419,628	14,202	55,406,915	13,704	4,043
2010	53,280,301	13,267	53,391,664	13,295	4,016
2009	52,145,060	12,904	52,873,568	13,084	4,041
2008	48,751,772	11,830	49,146,549	11,926	4,121
2007	47,620,277	11,586	47,772,734	11,624	4,110
2006	46,535,557	11,439	46,017,786	11,312	4,068

Source: District records

(1) Debt Service totals have been excluded. Cost per pupil calculated using general government expenditures which utilize the modified accrual basis of accounting and on governmental activities expenses which utilize the accrual basis of accounting.

(2) Full-time certificated teaching staff.

Percent Change	Teaching Staff (2)	Pupil/Teacher Ratio	Student Attendance Percentage
3.18%	249	16.30	95.70%
-1.35%	264	14.90	95.70%
-1.89%	273	14.61	95.40%
0.54%	274	14.84	95.40%
0.67%	269	15.03	95.40%
-0.62%	269	14.93	95.00%
-1.94%	267	15.13	95.80%
0.27%	251	16.42	95.40%
1.03%	250	16.44	95.40%
1.85%	276	14.74	95.70%

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Dave Yost • Auditor of State

WESTLAKE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 31, 2015**