

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2003



**Auditor of State
Betty Montgomery**

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

FEDERAL GRANTOR Pass-Through Grantor / Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550	0	26,092	0	26,092
National School Lunch Program	045062 LL P4 03	10.555	62,801		62,801	
Total U. S. Department of Agriculture			62,801	26,092	62,801	26,092
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
<i>Special Education Cluster:</i>						
Special Education Grants to States	045062 6B SF 02 P	84.027	1,440		73,808	
	045062 6B SD 03 P		30,000		6,447	
	045062 6B SF 03 P		260,957		259,735	
Total CFDA			292,397	0	339,990	0
Special Education Preschool	045062 PG S1 02 P	84.173	0		5,135	
	045062 PG S1 03 P		17,527		14,135	
Total CFDA			17,527	0	19,270	0
Total Special Education Cluster			309,924	0	359,260	0
Title I, Part A, ESEA	045062 C1 S1 02	84.010	1,805		951	
	045062 C1 S1 03		77,001		98,593	
Total CFDA			78,806	0	99,544	0
Safe and Drug Free Schools	045062 DR S1 03	84.186	13,406		15,406	
Total CFDA			13,406	0	15,406	0
Eisenhower Professional Development	045062 MS S4 01	84.281	0		7,652	
	045062 MS S1 02		0		9,573	
Total CFDA			0	0	17,225	0
Innovative Education Program Strategy	045062 C2 S1 01	84.298	0		7,672	
	045062 C2 S1 02		0		2,784	
	045062 C2 S1 03		6,954		18,666	
Total CFDA			6,954	0	29,122	0
Adult Basic Education	045062 AB S1 02	84.002	0		1,855	
	045062 AB S1 02 P		0		30,946	
	045062 AB S1 03		52,695		39,404	
	045062 AB S2 03		11,835		11,835	
Total CFDA			64,530	0	84,040	0
State Improvement	045062 ST S1 01	84.323	0		4,329	
	045062 ST S1 02		22,500		2,449	
Total CFDA			22,500	0	6,778	0
School Renovation	045062 AT S2 02	84.352A	10,741		8,798	
	045062 AT S3 02		13,237		11,916	
Total CFDA			23,978	0	20,714	0
Improving Teacher Quality	045062 TR S1 03	84.367	64,326		55,401	
Total CFDA			64,326	0	55,401	0
Technology Literacy Challenge	045062 TJ S1 03	84.318	2,356		1,206	
Total CFDA			2,356	0	1,206	0
Total U. S. Department of Education			586,780	0	688,696	0
TOTAL FEDERAL ASSISTANCE			649,581	26,092	751,497	26,092

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

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

JUNE 30, 2003

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C - NATIONAL SCHOOL LUNCH PROGRAM

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

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.



Auditor of State Betty Montgomery

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

Board of Education
Westlake City School District
Cuyahoga County
2260 Dover Center Road
Westlake, Ohio 44145

We have audited the basic financial statements of Westlake City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-001 and 2003-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 19, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 19, 2003.

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

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

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

Betty Montgomery
Auditor of State

December 19, 2003



Auditor of State Betty Montgomery

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

Board of Education
Westlake City School District
Cuyahoga County
2260 Dover Center Road
Westlake, Ohio 44145

Compliance

We have audited the compliance of the Westlake City School District, Cuyahoga County, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 19, 2003.

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the District, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 19, 2003

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

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

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

Finding Number	2003-001
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Ohio Rev. Code Sections 5705.41 (B) & (D) prohibit a subdivision or taxing authority from making an expenditure or an expenditure plus encumbrance unless it has been properly appropriated. The District's legal level of budgetary control appropriations is at the fund, function, and object level for all funds.

At June 30, 2003, the following funds had expenditures plus encumbrances that exceeded appropriations, at the legal level of budgetary control.

Fund/Function/Object	Appropriations	Expenditures Plus Encumbrances	Variance
018/4600/400	\$ 0	\$ 5,119	\$ 5,119
018/4600/600 *	355	11,706	11,351
300/4500/500	61,132	98,021	36,889

The fund and account denoted with an asterisk (*) also had expenditures plus encumbrances that exceeded appropriations at January 31, 2003.

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

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

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

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

Finding Number	2003-002
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Ohio Rev. Code Section 5705.39 prohibits a subdivision from making appropriations in excess of total estimated revenue. Further, no appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

At June 30, 2003, the following funds had appropriations that were in excess of estimated resources as reported on the Official Certificate of Estimated Resources:

Fund	Appropriations	Estimated Revenue Plus Unencumbered Balance	Variance
516	\$ 502,568	\$ 379,764	\$ 122,804
599	105,742	53,241	52,501

This weakness could allow expenditures to exceed the total available fund balance plus current year revenues which would then result in a negative fund balance. Further, this condition reduces accountability over the budgetary process.

We recommend the Treasurer continue to compare appropriations to estimated resources, in all funds which are legally required to be budgeted. Further, the comparisons should be performed monthly, at minimum, and should result in appropriation or estimated resource amendment(s), as deemed necessary.

3. FINDINGS FOR FEDERAL AWARDS

None

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Westlake City School District
Westlake, Ohio

Comprehensive
Annual Financial Report

For the Fiscal Year Ended June 30, 2003

Westlake City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
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**WESTLAKE
CITY SCHOOLS**

December 19, 2003

Board of Education Members
Westlake City School District

Board of Education

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Westlake City School District for the fiscal year ended June 30, 2003. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Westlake City School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Porter Public Library, major taxpayers, financial rating services and other interested parties.

Bassett

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

Dover

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

Hilliard

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

Holly Lane

Elementary School
3057 Holly Lane
(440) 835-6332

Lee Burneson

Middle School
2240 Dover Center Rd.
(440) 835-6340

Parkside

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

Westlake

High School
27830 Hilliard Rd.
(440) 835-6352

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

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

The School District

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

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

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

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

The Reporting Entity

Westlake City School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Westlake City School District (the primary government) and its potential component units.

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

The Lake Erie Educational Computer Association and the Ohio Schools Council Association are jointly governed organizations and the Porter Public Library is a related organization whose relationships to the School District are described in Notes 19 and 20, respectively, to the basic financial statements.

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

Economic Condition and Outlook

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

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. In fact, much room still exists for growth and expansion. Seventy-five percent of the residentially zoned land has been developed and 600 acres of industrially zoned land remains undeveloped.

In November of 2000, voters approved the construction of Crocker Park, a mixed-use planned development on eighty acres in western Westlake. When fully completed, this development will create a downtown center for Westlake with retail, office, restaurant, and residential spaces. Other 2003 development initiatives included the construction of LaCentre, a banquet, conference and office center featuring over 100,000 square feet. The Beacon West Industrial Development Park was voted the industrial development of the year by the National Association of Industrial and Office Parks.

In addition to new commercial/industrial development Westlake approved plans for several upscale subdivisions throughout the City such as Cotswold Manor, the second phase of the Glens, and the Preserve. Strong housing values provide evidence of this upscale community. Recent new home sales range from \$600,000-\$800,000 with some topping \$1,000,000.

School District enrollment has remained relatively flat over the last several years and is projected to remain the same in the foreseeable future. The 2002-2003 student enrollment was 3,880.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

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

Major Initiatives

The Westlake City School District continued its major focus on student achievement during the 2002-2003 school year. The School District received, for the fourth consecutive year, the State's highest school district rating, "excellent". Westlake is one of less than 3 percent of Ohio school districts to achieve the State's highest rating in each of the four years since the program has been established. In addition, student achievement, as measured by college admissions tests, continues to be very strong. Students taking both the SAT and ACT tests have scored above both the State and the National averages.

Curriculum planning and implementation, technology initiatives and continuous improvement planning strategies marked the 2002-2003 school year. Each of these activities represented the continuation of planning and implementation initiatives already in place and are designed to support and enhance the achievement of students.

A staff committee completed comprehensive revisions of the science course of study, which was adopted by the Board of Education for implementation in the 2003-2004 school year. New materials were purchased for students in grades kindergarten through 12, providing new books, software and workbooks for students. New courses of study in industrial technology, business, home and consumer science and physical education were also developed and approved by the Board.

As a result of community support and voter approval, the School District embarked on the Westlake Performing Arts center project, which will enhance the existing performing arts curriculum. The center will include an 825-seat auditorium, rehearsal room, dressing rooms, scene construction workshop and TV studio. State-of-the-art rigging, sound and lighting systems will support this facility. This project is scheduled to be completed in early winter 2004.

The School District continues to extend technology into the classroom. Technology skills are incorporated into the courses of study. Computer laboratories were updated and wireless notebooks were added to each elementary building. Parkside Intermediate School also received an updated lab and Westlake High School had a computer laboratory added.

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

Over the summer of 2003, administrative office staff made a smooth transition to new administrative offices located at the old city hall. The School District funded this purchase, as well as the repairs and renovations to the facility, from a 1996 bond issue. This represented a significant saving over building a new facility and puts the School District office on a site that adjoins the new city hall and the police department. These renovated facilities will enhance the School District's management capacity.

The School District continued to monitor its safety plan and made significant safety related enhancements. Communication capabilities were improved through the purchase of handheld radios for principals, secretaries, playground supervisors and custodial staff. New mobile radios were installed in all School District school busses and maintenance vehicles. Security cameras also were upgraded and are installed in all school buildings.

In the area of special education, the School District earned two grants to promote staff development and improve student outcomes. Parkside Intermediate School earned \$52,500 from the Ohio Department of Education, Office of Exceptional Children, to increase access and progress in the general curriculum for students with disabilities. The School District earned another \$13,000 in grants from the state Assistive Technology Infusion Project to provide assistive technology support for students with disabilities. The School District also earned a \$75,000 State Improvement Grant for professional development and technical assistance activities to meet individual student needs.

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

The permanent improvement fund that began with receipts from the 2000 operating levy has been continued. This fund continues to be used to maintain school buildings and facilities. Major projects completed this past year were installation of new boiler at Westlake High School, extension of the furniture replacement schedule as well as safety related improvements. The School District continued its bus replacement schedule by ordering five additional busses.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

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

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished 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. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher limit bond.

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

Financial Condition

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion follows the Report of Independent Accountants, providing an assessment of the School District's finances for 2003 and a discussion of current issues affecting the School District in the future. Because that discussion focuses on major funds, other nonmajor funds are discussed briefly in this letter.

Financial Highlights - Internal Service Fund

The only internal service fund carried on the financial records relates to self-insurance. This fund accounts for the revenues and expenses related to the provision of medical, surgical, prescription drug and dental benefits to the School District employees. The internal service fund had net assets of \$419,314 at June 30, 2003, compared with net assets of \$265,039 at June 30, 2002, reflecting a net increase in net assets of \$154,275.

Financial Highlights - Fiduciary Fund

The trust fund carried on the financial records of the School District is a scholarship private purpose trust fund that has assets totaling \$27,126 as of June 30, 2003.

Cash Management

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently depositing cash which is insured by the Federal Deposit Insurance Corporation as well as investing available cash in instruments issued by the United States Government or the State of Ohio. The program is beneficial because of access to daily balances which enables the Board to maintain minimum balance accounts and invest to the maximum extent. The total amount of interest earned by School District funds was \$407,842 for the fiscal year ended June 30, 2003, \$295,977 being credited directly to the general fund.

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

Risk Management

The School District provides employee medical, surgical, prescription drug and dental benefits through a minimum premium program. A self-insurance internal service fund is maintained to account for and finance this program. Medical Mutual of Ohio administers the plan and reviews all claims. Stop-loss coverage is provided by Medical Mutual.

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

The School District contracted through the Ohio Schools Council for property and general liability insurance, as well as boiler and machinery coverage. There is a \$5,000 deductible with a one hundred percent co-insurance.

The School District also contracts with Great American Alliance Insurance Company for a single occurrence \$1,000,000 limit, a \$5,000,000 aggregate and a \$5,000 deductible for professional liability and with Indiana Insurance Agency for automobile liability which has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past ten years.

The School District participates in the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2003. The opinion appears at the beginning of the financial section of this report.

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Westlake City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

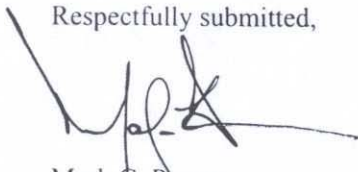
The publication of this report is a significant step toward professionalizing the Westlake City School District's financial reporting. It enhances the School District's accountability to the residents of the Westlake City School District.

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

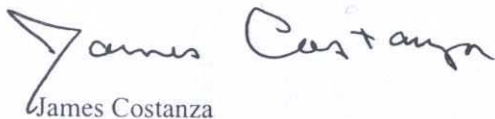
Special appreciation is expressed to the Local Government Services Division of State Auditor Betty Montgomery's office for assistance in planning, designing and reviewing this financial report.

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

Respectfully submitted,



Mark C. Pepera
Chief Financial Officer



James Costanza
Superintendent of Schools

Westlake City School District

Principal Officials

June 30, 2003

Board of Education

Mr. Thomas LeChaixPresident
Ms. Renee D’Ettorre Wargo Vice-President
Mr. David Beal..... Member
Mr. Robert Swanson Member
Ms. Andrea Rocco Member

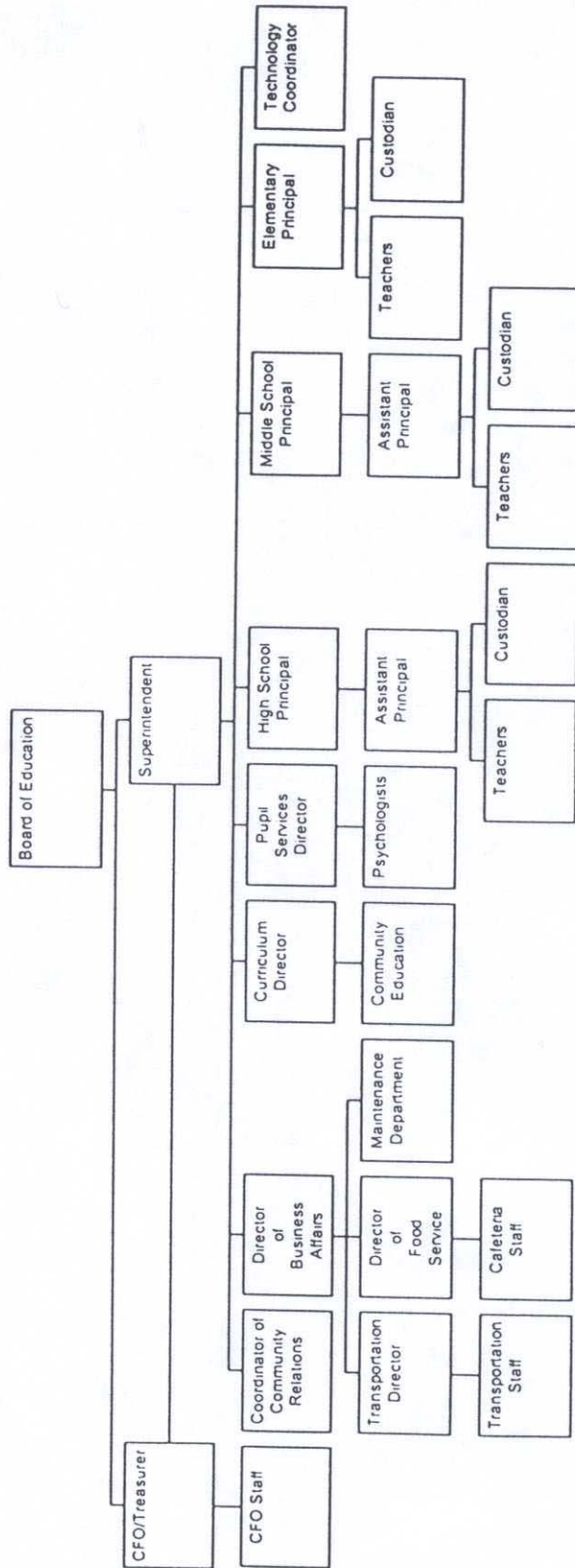
Chief Financial Officer

Mr. Mark C. Pepera

Executive Administration

James Costanza Superintendent of Schools
Mr. Gary Slocum Director of Business Affairs

Westlake City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Westlake City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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



President

Executive Director

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Betty Montgomery
Auditor of State

December 19, 2003

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

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

Financial Highlights

Key Financial Highlights for 2003 are as follows:

- In total, net assets for governmental activities has remained stable at \$21.9 million in both fiscal years 2003 and 2002.
- Program Revenues for governmental activities totaled \$3.3 million in fiscal year 2003, up from \$3.0 million in fiscal year 2002.
- Program expenses totaled \$42.5 million in fiscal year 2003, as compared to \$41.0 million in fiscal year 2002. Instructional expenses made up 53.6 percent of the fiscal year 2003 total while support services accounted for 35.7 percent. Other expenses such as food service, extracurricular, debt service and non-instructional rounded out the remaining 10.7 percent.
- The net change in Governmental fund balance was \$6.1 million.
- Moody's investor services reaffirmed the School District's credit rating of Aa2.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2003?" The *Statement of Net Assets* and the *Statement of Activities* answers this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to

Westlake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
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the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

The School District as a Whole

You may recall that the *Statement of Net Assets* provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2003 compared to 2002:

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

Table 1

Net Assets
Governmental Activities

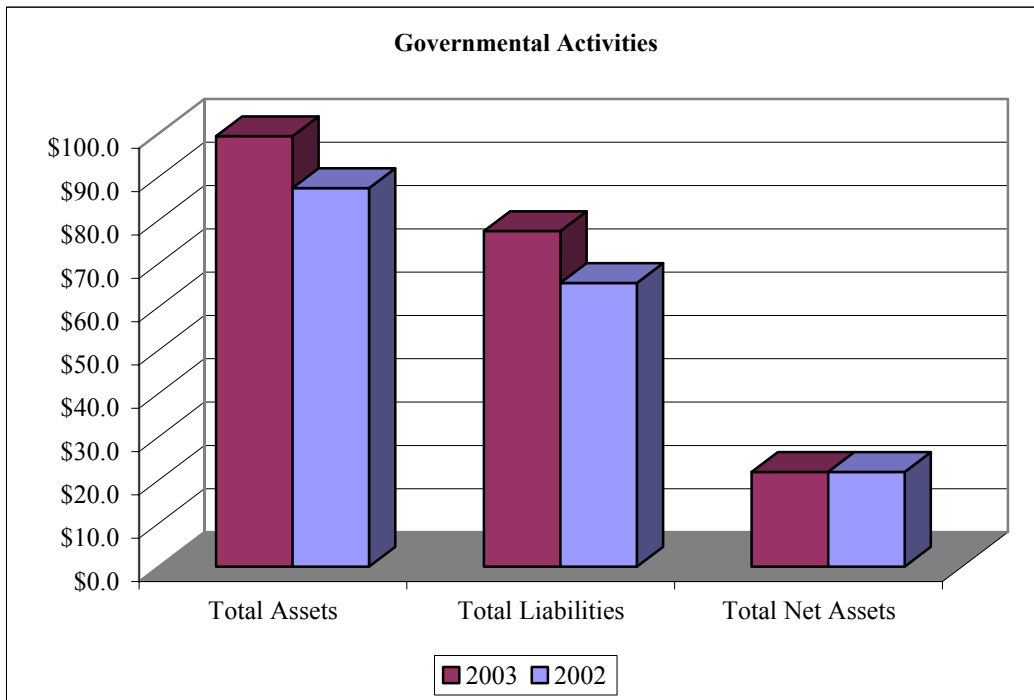
	2003	2002
Assets		
Current and Other Assets	\$58,872,192	\$47,316,941
Capital Assets, Net	40,495,324	40,116,619
<i>Total Assets</i>	99,367,516	87,433,560
Liabilities		
Current and Other Liabilities	37,938,325	33,077,335
Long-Term Liabilities:		
Due Within One Year	3,142,244	2,559,976
Due in More than One Year	36,395,422	29,882,795
<i>Total Liabilities</i>	77,475,991	65,520,106
Net Assets		
Invested in Capital Assets, Net of Debt	18,625,939	16,650,496
Restricted:		
Capital Projects	275,173	1,514,097
Debt Service	2,887,330	2,805,217
Other Purposes	559,553	532,660
Unrestricted (Deficit)	(456,470)	410,984
<i>Total Net Assets</i>	\$21,891,525	\$21,913,454

Graph 1 (See page 6)

Net Assets Governmental Activities
(millions)

	2003	2002
Total Assets	\$99.4	\$87.4
Total Liabilities	77.5	65.5
Total Net Assets	\$21.9	\$21.9

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As one can see total assets increased by \$11.9 million. The majority of this increase can be attributed to equity in pooled cash and equivalents as well as taxes receivable. More specifically, 73 percent of the increase was a direct result of the issuance of \$8.7 million in bonds for the Performing Arts Center.

Total liabilities increased by \$12.0 million. The most significant areas of increase were in the category of long-term liabilities and deferred revenue. The issuance of \$8.7 million in bonds to cover the debt for the Performing Arts Center contributed to this. In addition, deferred revenue increased by more than \$4.3 million from fiscal year 2002 as a result of the decrease in the amount available as an advance on June 30, which is reported as taxes revenue and not deferred revenue. The unrestricted net assets for governmental activities was (\$456,470), which is primarily due to the Library debt being reported in unrestricted net assets, since the library is not reported as an asset of the School District.

In order to determine the overall financial performance of the School District one must consider the relative change in net assets. A change in net assets indicates how an entity is providing for future generations. In looking at Graph 1, net assets remained relatively stable from 2002 and therefore indicate the School District remained neutral in providing resources for the School District. As projected and as net assets decrease, the School District will need to be concerned about spending resources of future generations and consider the need for additional operating resources.

The vast majority of revenue supporting all Governmental Activities is general revenue. General revenue accounted for \$39.2 million or 92.3 percent of the total revenue. The most significant portion of general revenue is local property tax. The other type of revenue that accounts for 7.7 percent of total revenue is called program revenues. Program revenues are derived directly from the program or entities outside the school district as a whole, and can help to reduce the net cost of services provided by the School District's General fund. Program revenues increased in 2003 to 7.7 percent up from 6.2 percent in 2002. This increase can be attributed to primarily to the funds received for grants, contributions and charges for services and sales.

Westlake City School District
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Table 2 shows total revenues, expenses and changes in net assets for fiscal year 2003. The decrease in fiscal year 2003 net assets can be mainly attributed to the reduction in property taxes that were available as an advance on June 30, 2003 of \$3.4 million compared to \$6.8 million at June 30, 2002.

Table 2
Governmental Activities

	2003	2002
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,759,587	\$1,653,881
Operating Grants and Contributions	1,502,437	1,276,282
Capital Grants and Contributions	0	47,257
General Revenues:		
Property Taxes	31,338,055	38,126,305
Grants and Entitlements	7,356,828	6,865,844
Other	532,594	417,656
<i>Total Revenues</i>	42,489,501	48,387,225
Program Expenses		
Instruction		
Regular	18,909,990	18,561,778
Special	3,405,179	3,320,191
Vocational	392,114	308,959
Adult/Continuing	58,192	39,473
Support Services:		
Pupil	2,184,689	2,187,073
Instructional Staff	1,977,693	1,987,734
Board of Education	79,923	27,743
Administration	2,674,304	2,505,538
Fiscal	936,066	1,072,157
Business	358,033	402,168
Operation and Maintenance of Plant	3,358,389	3,185,520
Pupil Transportation	3,456,556	2,766,196
Central	134,189	145,174
Operation of Non-Instructional Services	802,918	711,847
Extracurricular Activities	1,192,747	1,382,233
Operation of Food Services	816,766	786,465
Interest and Fiscal Charges	1,773,682	1,687,411
<i>Total Expenses</i>	42,511,430	41,077,660
<i>Increase (Decrease) in Net Assets</i>	(21,929)	7,309,565
<i>Net Assets July 1</i>	21,913,454	14,603,889
<i>Net Assets June 30</i>	\$21,891,525	\$21,913,454

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

Governmental Activities

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

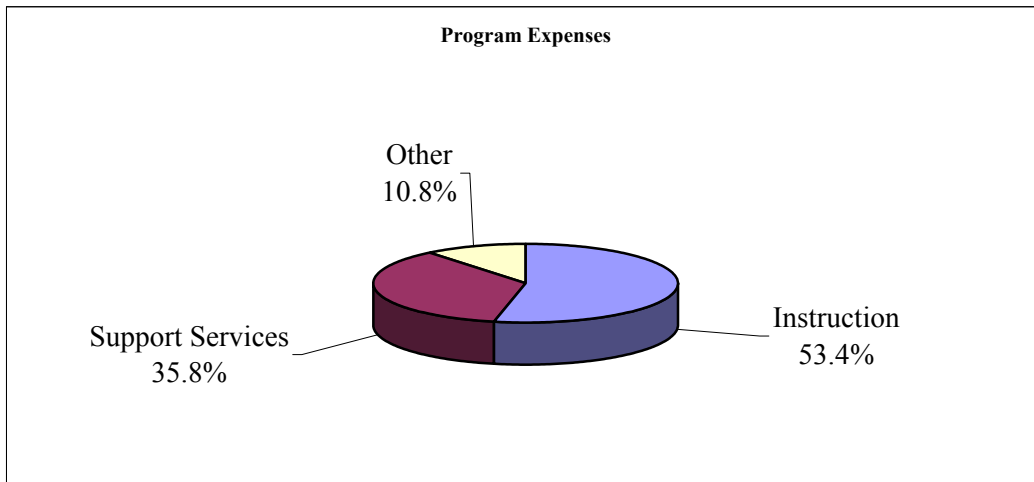
Although the School District relies heavily upon local property taxes to support its operations, they continue to actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

As one can see, the School District spent roughly 53.4 percent of its budget to fund instructional expenses as compared to 54.1 percent in fiscal year 2002. Additional support services for pupils, staff and business operations have increased by \$1.0 million compared to fiscal year 2002 and encompass 35.8 percent. The remaining 10.8 percent of program expenses were budgeted to facilitate other obligations of the School District such as interest and fiscal charges, the food service program and various extracurricular activities.

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

Program Expenses

	2003	2002
Instruction	\$22.7	\$22.2
Support Services	15.2	14.2
Other	4.6	4.6
Total	\$42.5	\$41.0



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

Table 3

Governmental Activities

	Total Cost of Services 2003	Total Cost of Services 2002	Net Cost of Services 2003	Net Cost of Services 2002
Instruction:				
Regular	\$18,909,990	\$18,561,778	(\$18,600,110)	(\$18,357,986)
Special	3,405,179	3,320,191	(2,906,549)	(2,980,218)
Vocational	392,114	308,959	(392,114)	(308,959)
Adult/Continuing	58,192	39,473	(11,379)	4,654
Support Services:				
Pupil	2,184,689	2,187,073	(2,097,060)	(2,101,021)
Instructional Staff	1,977,693	1,987,734	(1,896,211)	(1,903,954)
Board of Education	79,923	27,743	(79,249)	(27,701)
Administration	2,674,304	2,505,538	(2,582,528)	(2,390,111)
Fiscal	936,066	1,072,157	(936,066)	(1,072,157)
Business	358,033	402,168	(358,033)	(380,756)
Operation and Maintenance of Plant	3,358,389	3,185,520	(3,303,905)	(3,124,912)
Pupil Transportation	3,456,556	2,766,196	(3,456,556)	(2,720,039)
Central	134,189	145,174	(6,967)	(13,984)
Operation of Non-Instructional Services	802,918	711,847	(95,668)	(107,037)
Extracurricular Activities	1,192,747	1,382,233	(654,450)	(876,945)
Operation of Food Services	816,766	786,465	(98,879)	(51,703)
Interest and Fiscal Charges	1,773,682	1,687,411	(1,773,682)	(1,687,411)
<i>Total Expenses</i>	<u>\$42,511,430</u>	<u>\$41,077,660</u>	<u>(\$39,249,406)</u>	<u>(\$38,100,240)</u>

As one can see, the reliance upon local tax revenues for governmental activities is crucial as local property tax accounts for roughly 73.8 percent of the total revenues in 2003. This amount differs significantly from the prior year though primarily due to the lower amount of taxes available as an advance as of June 30, 2003 from the County auditor. While property taxes assume the bulk of the general revenues for the School District, grant and entitlements not restricted to specific programs continue to increase and support 17.3 percent of general revenues up from 14.2 percent in 2002. The School District has worked diligently on obtaining any available grants to help offset the burden on its operating resources. Investment and other miscellaneous type revenues account for less than 1.3 percent of revenues. While the School District is able to offset some of their cost through service charges, grants and contributions, program revenues only account for 7.7 percent of all governmental expenses.

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

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

School District's Funds

Information regarding the School District's major funds can be found starting on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$42.0 million and expenditures of \$44.7 million. The net change in fund balance for all governmental funds was \$6.1 million up from \$5.5 million in 2002. This increase in fund balance was primarily due to the proceeds received from the recent bond sale.

General Fund Budgeting Highlights

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

During fiscal year 2003, the School District amended its general fund budget numerous times, none significant. The School District uses a site-based style of budgeting and has in place systems that are designed to tightly control expenses but provide flexibility for site based decision and management.

For the General fund, the final budget basis revenue estimate totaled \$36.6 million and was below original budget estimates of \$37.1 million. Although budgeted amounts differed slightly, a positive variance existed in comparing actual fiscal year revenues to budgeted revenues. This variance was primarily due to additional unanticipated tax revenues that were received. The budget basis expenditure estimate totaled \$39.1 million compared to original estimates of \$38.9 million. This difference was primarily due to changes in staffing levels and experience in regular and special instruction, maintenance of plant operations and other mandated or unanticipated costs that developed throughout the year.

The School District's fund balance totaled \$5.5 million as compared to \$4.7 million in 2002. The School District expected its fund balance to increase this year due to the anticipated cycle of the replacement levy approved in 2000 and the lower than normal encumbrances at year end.

Actual expenditures were consistent with annual budget expectations and the School District even finished the year with an overall positive variance of \$2.2 million. Liquidity is very important in the operation of a school district and measures the ability of an entity to cover its existing obligations in the short term. One can see the School District still has a favorable current ratio in fiscal year 2003 of 1.55. This ratio decreased slightly from 2002 as the result of less tax revenue being available as an advance at fiscal year end. Solvency is also important and considers the ability of an entity to cover obligations in the long run. As evidenced by the supporting data in the report, the debt to asset ratio for the School District remained relatively stable at 39.8 percent.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2003, the School District had \$40.5 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks as compared to \$40.1 million in 2002. Table 4 shows fiscal year 2003 values compared to fiscal year 2002.

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

Table 4
 Capital Assets at June 30
 Governmental Activities

	2003	2002
Land	\$2,468,751	\$2,468,751
Land Improvements	\$68,762	71,034
Buildings and Improvements	\$33,716,064	33,393,938
Furniture and Equipment	\$1,774,616	2,004,164
Vehicles	\$2,045,440	1,747,703
Textbooks	\$421,691	431,029
Totals	\$40,495,324	\$40,116,619

As one can see, there was a slight increase in total capital assets during the fiscal year. The increases were in the areas of Building and Improvements and Vehicles. These increases can be attributed to additional vehicles purchased in 2003, related to our transportation and maintenance fleet, as well as the purchase of a facility to house the School District's central administration as allocated in the 1996 bond issue. The decreases in land improvements, furniture and equipment and textbooks were due to decreases in additions for 2003 along with an overall consistent depreciation expense amount between years. For additional information see Note 10 of the notes to the basic financial statements.

Debt

At June 30, 2003 the School District had \$36.5 million in bonds outstanding. Table 5 below summarizes the School District's bonds outstanding.

Table 5
 Bonds Outstanding at June 30

	Governmental Activities	
	2003	2002
1986 Facility Improvements 7.25 %	\$560,000	\$840,000
1997 School Improvements 5.08 %	2,000,000	2,100,000
1997 School Improvements 5.51 %	19,125,000	20,260,000
2002 School Improvements 4.37%	8,871,520	0
1998 Library Improvements 5.51 %	5,980,000	6,300,000
Totals	\$36,536,520	\$29,500,000

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

The 1986 facility improvement bonds were issued to upgrade School District facilities, primarily at Westlake High School and Bassett elementary school. These bonds will be repaid in 2004.

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

In 2002, the School District issued \$8.7 million in bonds to provide for a Performing Arts Center. These 2002 school improvement bonds will be fully repaid in 2027.

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

The School District's overall legal debt margin was \$73,446,563 with an unvoted debt margin of \$1,188,846. In 2003, Moody's Investor Services reaffirmed the School District's credit rating of Aa2. Moody's indicated the rating reflected the School District's sizeable and growing tax base; manageable debt levels; and sound financial operations. For additional debt obligation information, see Note 16.

School District Outlook

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

The financial future of the School District is not without its internal as well as external challenges though. In the foreseeable future, the internal challenges will continue as long as the School District must rely on local property taxes to fund its operations. External challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system and the recent mandates imposed by Federal initiatives.

While the School District relies heavily on its property taxpayers to support its operations, the fiscal capacity and community support for the schools is quite strong. As mentioned earlier, the Westlake voters had passed a 5.5 mill replacement levy in May of 2000, which will help fund the general operations and permanent improvements of the School District over the next several years. In addition, the community overwhelmingly passed a bond issue in late 2002 to support the construction of a new School District performing arts center. The School District continues to communicate to the community they rely upon their support for the majority of its operations and will continue to work diligently to plan expenses, staying carefully within the School District's financial five-year plan. The community realizes the income generated by local levies remains relatively constant, thereby, forcing the School District to come back to the voters from time to time to ask for additional support.

Externally, the State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward School Districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's

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

school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Westlake City School District has not projected any meaningful growth in State revenues due to the concern regarding potential legislation that may require the redistribution of commercial and industrial property taxes. With roughly 40 percent of the taxes for the School District coming from local business and industry, one can see the significant impact this change would have on the School District and ultimately, the residential taxpayers.

As a result of the challenges mentioned above, it will be imperative that management continues to carefully and prudently plan in order to provide the resources required to meet student needs over the next several years.

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

Contacting the School District's Financial Management

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

Westlake City School District

Statement of Net Assets

June 30, 2003

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$21,138,622
Accounts Receivable	10,993
Intergovernmental Receivable	222,831
Inventory Held for Resale	4,784
Materials and Supplies Inventory	7,348
Taxes Receivable	37,365,462
Deferred Charges	122,152
Nondepreciable Capital Assets	2,468,751
Depreciable Capital Assets, Net	<u>38,026,573</u>
<i>Total Assets</i>	<u>99,367,516</u>
Liabilities	
Accounts Payable	766,477
Contracts Payable	14,063
Accrued Wages	3,534,622
Intergovernmental Payable	1,195,016
Deferred Revenue	31,765,984
Accrued Interest Payable	142,369
Claims Payable	519,794
Long-Term Liabilities:	
Due Within One Year	3,142,244
Due In More Than One Year	<u>36,395,422</u>
<i>Total Liabilities</i>	<u>77,475,991</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	18,625,939
Restricted for:	
Capital Projects	275,173
Debt Service	2,887,330
Other Purposes	559,553
Unrestricted (Deficit)	<u>(456,470)</u>
<i>Total Net Assets</i>	<u>\$21,891,525</u>

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$18,909,990	\$157,176	\$152,704	(\$18,600,110)
Special	3,405,179	0	498,630	(2,906,549)
Vocational	392,114	0	0	(392,114)
Adult/Continuing	58,192	0	46,813	(11,379)
Support Services:				
Pupil	2,184,689	0	87,629	(2,097,060)
Instructional Staff	1,977,693	0	81,482	(1,896,211)
Board of Education	79,923	674	0	(79,249)
Administration	2,674,304	87,604	4,172	(2,582,528)
Fiscal	936,066	0	0	(936,066)
Business	358,033	0	0	(358,033)
Operation and Maintenance of Plant	3,358,389	51,146	3,338	(3,303,905)
Pupil Transportation	3,456,556	0	0	(3,456,556)
Central	134,189	0	38,521	(95,668)
Operation of Non-Instructional Services	802,918	238,959	556,992	(6,967)
Extracurricular Activities	1,192,747	506,141	32,156	(654,450)
Operation of Food Services	816,766	717,887	0	(98,879)
Interest and Fiscal Charges	1,773,682	0	0	(1,773,682)
Totals	\$42,511,430	\$1,759,587	\$1,502,437	(\$39,249,406)
		General Revenues		
		Property Taxes Levied for:		
		General Purposes		28,045,815
		Debt Service		3,292,240
		Grants and Entitlements not Restricted to Specific Programs		7,356,828
		Investment Earnings		407,405
		Miscellaneous		125,189
		Total General Revenues		39,227,477
		<i>Change in Net Assets</i>		(21,929)
		<i>Net Assets Beginning of Year</i>		21,913,454
		<i>Net Assets End of Year</i>		\$21,891,525

See accompanying notes to the basic financial statements

Westlake City School District

Balance Sheet

Governmental Funds

June 30, 2003

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$7,715,245	\$2,386,286	\$8,850,828	\$1,247,155	\$20,199,514
Taxes Receivable	33,436,533	3,928,929	0	0	37,365,462
Accounts Receivable	9,567	0	0	1,426	10,993
Intergovernmental Receivable	9,954	0	0	212,877	222,831
Interfund Receivable	64,300	0	0	0	64,300
Inventory Held for Resale	0	0	0	4,784	4,784
Materials and Supplies Inventory	6,356	0	0	992	7,348
<i>Total Assets</i>	<u>\$41,241,955</u>	<u>\$6,315,215</u>	<u>\$8,850,828</u>	<u>\$1,467,234</u>	<u>\$57,875,232</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$437,567	\$0	\$173,051	\$155,859	\$766,477
Contracts Payable	0	0	6,335	7,728	14,063
Accrued Wages and Benefits	3,476,886	0	0	57,736	3,534,622
Interfund Payable	0	0	0	64,300	64,300
Intergovernmental Payable	547,796	0	0	132,348	680,144
Deferred Revenue	30,305,720	3,499,825	0	52,500	33,858,045
<i>Total Liabilities</i>	<u>34,767,969</u>	<u>3,499,825</u>	<u>179,386</u>	<u>470,471</u>	<u>38,917,651</u>
Fund Balances					
Reserved for Encumbrances	1,787,876	0	385,647	414,713	2,588,236
Reserved for Property Taxes	2,981,289	419,480	0	0	3,400,769
Unreserved					
Undesignated, Reported in:					
General Fund	1,704,821	0	0	0	1,704,821
Special Revenue Funds	0	0	0	581,585	581,585
Debt Service Fund	0	2,395,910	0	0	2,395,910
Capital Projects Funds	0	0	8,285,795	465	8,286,260
<i>Total Fund Balances</i>	<u>6,473,986</u>	<u>2,815,390</u>	<u>8,671,442</u>	<u>996,763</u>	<u>18,957,581</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$41,241,955</u>	<u>\$6,315,215</u>	<u>\$8,850,828</u>	<u>\$1,467,234</u>	<u>\$57,875,232</u>

See accompanying notes to the basic financial statements

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

Total Governmental Funds Balances	\$18,957,581
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	40,495,324
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Delinquent Property Taxes	2,039,561
Grants	52,500
Total	2,092,061
Bond Issuance costs will be amortized over the life of the bonds on the statement of net assets.	122,152
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	419,314
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(514,872)
In the statement of activities, interest is accrued on outstanding bond, whereas in governmental funds, an interest expenditure is reported when due	(142,369)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds:	
General Obligation Bonds	(36,536,520)
Compensated Absences	(2,816,761)
Capital Lease Payable	(184,385)
Total	(39,537,666)
<i>Net Assets of Governmental Activities</i>	\$21,891,525

See accompanying notes to the basic financial statements

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

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$27,645,532	\$3,230,836	\$0	\$0	\$30,876,368
Intergovernmental	6,913,254	443,574	0	1,419,221	8,776,049
Interest	295,977	0	105,682	5,746	407,405
Tuition and Fees	63,960	0	0	651,451	715,411
Extracurricular Activities	0	0	0	258,838	258,838
Rentals	50,350	0	0	0	50,350
Charges for Services	796	0	0	734,192	734,988
Contributions and Donations	0	0	0	32,156	32,156
Miscellaneous	93,671	0	20	31,498	125,189
<i>Total Revenues</i>	<u>35,063,540</u>	<u>3,674,410</u>	<u>105,702</u>	<u>3,133,102</u>	<u>41,976,754</u>
Expenditures					
Current:					
Instruction:					
Regular	17,855,858	0	0	201,693	18,057,551
Special	2,874,310	0	0	498,369	3,372,679
Vocational	382,559	0	0	0	382,559
Adult/Continuing	17,242	0	0	40,836	58,078
Support Services:					
Pupil	1,985,786	0	0	86,143	2,071,929
Instructional Staff	1,916,266	0	0	81,818	1,998,084
Board of Education	31,983	0	0	650	32,633
Administration	2,464,800	0	0	99,107	2,563,907
Fiscal	914,567	0	0	0	914,567
Business	260,981	0	0	0	260,981
Operation and Maintenance of Plant	3,227,201	0	0	3,338	3,230,539
Pupil Transportation	3,307,033	0	0	0	3,307,033
Central	103,888	0	0	24,715	128,603
Operation of Non-Instructional Services	0	0	0	756,871	756,871
Extracurricular Activities	651,459	0	0	519,469	1,170,928
Operation of Food Services	0	0	0	796,763	796,763
Capital Outlay	9,303	0	1,295,317	484,260	1,788,880
Debt Service:					
Principal Retirement	81,738	1,835,000	0	0	1,916,738
Interest and Fiscal Charges	18,336	1,672,185	76,367	0	1,766,888
Bond Issuance Costs	0	0	122,152	0	122,152
<i>Total Expenditures</i>	<u>36,103,310</u>	<u>3,507,185</u>	<u>1,493,836</u>	<u>3,594,032</u>	<u>44,698,363</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,039,770)</u>	<u>167,225</u>	<u>(1,388,134)</u>	<u>(460,930)</u>	<u>(2,721,609)</u>
Other Financing Sources (Uses)					
General Obligation Bonds Issued	0	0	8,700,000	0	8,700,000
Premium on Bonds Issued	0	0	171,520	0	171,520
Proceeds from the Sale of Capital Assets	2,074	0	0	0	2,074
Transfers In	0	0	4,147	527,052	531,199
Transfers Out	(510,000)	(4,147)	0	(17,052)	(531,199)
<i>Total Other Financing Sources (Uses)</i>	<u>(507,926)</u>	<u>(4,147)</u>	<u>8,875,667</u>	<u>510,000</u>	<u>8,873,594</u>
<i>Net Change in Fund Balances</i>	<u>(1,547,696)</u>	<u>163,078</u>	<u>7,487,533</u>	<u>49,070</u>	<u>6,151,985</u>
<i>Fund Balances Beginning of Year</i>	<u>8,021,682</u>	<u>2,652,312</u>	<u>1,183,909</u>	<u>947,693</u>	<u>12,805,596</u>
<i>Fund Balances End of Year</i>	<u>\$6,473,986</u>	<u>\$2,815,390</u>	<u>\$8,671,442</u>	<u>\$996,763</u>	<u>\$18,957,581</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds \$6,151,985

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

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

Capital Asset Additions	2,012,792
Current Year Depreciation	<u>(1,610,852)</u>

Total 401,940

Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities a gain or loss is reported for each disposal. (23,235)

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

Property Taxes	461,687
Grants	<u>51,060</u>

Total 512,747

Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities.

General Obligation Bonds Issued	(8,700,000)
Premium on Bonds Issued	<u>(171,520)</u>

Total (8,871,520)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets 1,916,738

In the statement of activities, interest is accrued on outstanding bonds, whereas, in governmental funds, an interest expenditure is reported when due. (6,794)

Bond Issuance costs will be amortized over the life of the bonds on the statement of activities. 122,152

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

Compensated Absences	(140,113)
Pension Obligation	<u>(240,104)</u>

Total (380,217)

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities.

Governmental fund expenditures and related internal service fund revenues are eliminated. They are eliminated on the district-wide statements and are allocated among the governmental activities. 154,275

Change in Net Assets of Governmental Activities (\$21,929)

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$29,902,989	\$29,218,715	\$30,626,329	\$1,407,614
Intergovernmental	6,748,475	6,907,483	6,911,718	4,235
Interest	291,320	316,791	298,367	(18,424)
Tuition and Fees	66,501	44,107	68,110	24,003
Rentals	59,286	49,712	60,720	11,008
Miscellaneous	49,803	39,654	95,184	55,530
<i>Total Revenues</i>	37,118,374	36,576,462	38,060,428	1,483,966
Expenditures				
Current				
Instruction				
Regular	19,958,557	19,545,487	19,330,908	214,579
Special	3,018,617	3,020,918	2,916,600	104,318
Vocational	299,356	387,974	387,312	662
Support Services				
Pupil	2,358,765	2,360,594	2,298,075	62,519
Instructional Staff	2,062,666	2,077,925	2,002,337	75,588
Board of Education	20,100	22,515	20,857	1,658
Administration	2,484,942	2,420,408	2,356,267	64,141
Fiscal	1,028,853	1,030,479	984,117	46,362
Business	387,459	390,290	367,949	22,341
Operation and Maintenance of Plant	3,431,501	3,475,542	3,377,874	97,668
Pupil Transportation	2,951,910	3,516,615	3,500,479	16,136
Central	118,187	118,621	108,092	10,529
Extracurricular Activities	701,564	701,579	672,675	28,904
Capital Outlay	77,658	48,035	19,146	28,889
<i>Total Expenditures</i>	38,900,135	39,116,982	38,342,688	774,294
<i>Excess of Revenues Under Expenditures</i>	(1,781,761)	(2,540,520)	(282,260)	2,258,260
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	2,074	2,074
Advances In	50,000	50,000	18,500	(31,500)
Advances Out	(57,500)	(57,500)	(57,300)	200
Transfers Out	(510,000)	(510,000)	(510,000)	0
<i>Total Other Financing Sources (Uses)</i>	(517,500)	(517,500)	(546,726)	(29,226)
<i>Net Change in Fund Balance</i>	(2,299,261)	(3,058,020)	(828,986)	2,229,034
<i>Fund Balance Beginning of Year</i>	4,748,619	4,748,619	4,748,619	0
Prior Year Encumbrances Appropriated	1,587,771	1,587,771	1,587,771	0
<i>Fund Balance End of Year</i>	\$4,037,129	\$3,278,370	\$5,507,404	\$2,229,034

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2003

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$939,108
Liabilities	
Claims Payable	<u>519,794</u>
Net Assets	
Unrestricted	<u><u>\$419,314</u></u>

See accompanying notes to the basic financial statements

Westlake City School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2003*

	Insurance
Operating Revenues	
Charges for Services	\$3,958,463
Operating Expenses	
Purchased Services	333,114
Claims	3,471,074
<i>Total Operating Expenses</i>	3,804,188
<i>Operating Income</i>	154,275
<i>Net Assets Beginning of Year</i>	265,039
<i>Net Assets End of Year</i>	\$419,314

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2003

	Insurance
 <i>Increase (Decrease) in Cash and Cash Equivalents</i>	
 Cash Flows from Operating Activities	
Cash Received from Interfund Services	\$3,958,463
Cash Payments for Goods and Services	(333,114)
Cash Payments for Claims	(3,433,400)
 <i>Net Increase in Cash and Cash Equivalents</i>	 191,949
 <i>Cash and Cash Equivalents Beginning of Year</i>	 747,159
 <i>Cash and Cash Equivalents End of Year</i>	 <u><u>\$939,108</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$154,275
 Increase (Decrease) in Liabilities:	
Claims Payable	37,674
 <i>Net Cash Provided by Operating Activities</i>	 <u><u>\$191,949</u></u>

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$27,126	\$163,572
Liabilities		
Accounts Payable	0	\$2,588
Due to Students	0	160,984
<i>Total Liabilities</i>	0	\$163,572
Net Assets		
Held in Trust for Scholarships	\$27,126	

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2003

	Scholarship
Additions	
Interest	\$437
Deductions	0
<i>Change in Net Assets</i>	437
<i>Net Assets Beginning of Year</i>	26,689
<i>Net Assets End of Year</i>	\$27,126

See accompanying notes to the basic financial statements

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 1 - Description of the School District and Reporting Entity

Westlake City School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and federal agencies.

The School District is located in Westlake, Ohio, Cuyahoga County. The Board of Education controls the School District's seven instructional/support facilities staffed by 234 classified employees, 266 certificated full-time teaching personnel and 19 administrators who provide services to 3,880 students and other community members.

Reporting Entity

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

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

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

The School District participates in the Lake Erie Educational Computer Association (LEECA) and Ohio Schools Council Association, jointly governed organizations, and is associated with the Porter Public Library, a related organization. These organizations are presented in Notes 19 and 20 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Westlake City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

governmental activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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

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

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

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

Fiduciary Fund Type Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund reports resources belonging to the student bodies of the various schools.

C. Measurement Focus

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

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2003, the School District's investments were limited to certificates of deposit, STAROhio, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Mortgage Corporation Bonds, and Federal National Mortgage Association Bonds.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

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

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$295,977, which includes \$155,625 assigned from other School District funds.

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

F. Prepaid Items

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

G. Inventory

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

H. Capital Assets

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

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

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

Description	Governmental Activities Estimated Lives
Buildings and Improvements	30 - 50 years
Furniture and Equipment	5 -10 years
Vehicles	10 years
Land Improvements	30 years
Textbooks	5 years

I. Interfund Balances

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

J. Compensated Absences

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

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Interfund Activity

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

M. Fund Balance Reserves

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

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

N. Net Assets

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

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

O. Operating Revenues and Expenses

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

P. 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.

Q. Estimates

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

R. Budgetary Data

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

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

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 3 – Change in Accounting Principle

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

Note 4 - Accountability and Compliance

A. Accountability

The Food Service, Community Education, and Safe School Helpline special revenue funds had deficit fund balances of \$34,425, \$3,095 and \$158, respectively, at June 30, 2003.

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

B. Compliance

Contrary to Ohio Revised Code Section 5705.39, the following funds had final appropriations in excess of certified available resources at June 30, 2003:

	Final Estimated Revenues Plus Carryover Balance	Appropriations	Excess
Special Revenue			
Title VI-B	\$379,764	\$502,568	\$122,804
Title I	101,353	103,266	1,913
Title V	52,167	54,374	2,207
Class Size Reduction Grant	74,326	74,914	588
Miscellaneous Federal Grants	53,241	105,742	52,501

The following accounts had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41, Ohio Revised Code at June 30, 2003:

	Final Appropriations	Expenditures and Encumbrances	Excess
Special Revenue			
Public School Support			
Extracurricular Activities			
Purchased Services	\$0	\$5,119	(\$5,119)
Capital Outlay - New	355	11,706	(11,351)
Athletic and Music			
Extracurricular Activities			
Materials and Supplies	61,132	98,021	(36,889)

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

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

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

Net Change in Fund Balance	
GAAP Basis	(\$1,547,696)
Net Adjustment for Revenue Accruals	2,994,498
Advance In	18,500
Beginning Fair Value Adjustment for Investments	13,728
Ending Fair Value Adjustment for Investments	(11,338)
Net Adjustment for Expenditure Accruals	(42,875)
Advance Out	(57,300)
Adjustment for Encumbrances	<u>(2,196,503)</u>
Budget Basis	<u><u>(\$828,986)</u></u>

Note 6 - Deposits and Investments

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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

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

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

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

1. United States Treasury Notes, Bill, Bonds, Notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$18,857,102 and the bank balance was \$19,907,699. Of the bank balance:

1. \$131,844 was covered by depository insurance; and
2. \$19,775,855 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution the pledging institution's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	Category 3	Carrying and Fair Value
Federal National Mortgage Association Bonds	\$500,000	\$500,000
Federal Home Loan Mortgage Corporation Notes	503,401	503,401
Federal Home Loan Mortgage Corporation Bonds	1,006,864	1,006,864
STAROhio	0	461,953
Total	\$2,010,265	\$2,472,218

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	\$21,329,320	\$0
Investments which are part of the cash management pool:		
Federal National Mortgage Corporation Bonds	(500,000)	500,000
Federal Home Loan Mortgage Corporation Notes	(503,401)	503,401
Federal Home Loan Mortgage Corporation Bonds	(1,006,864)	1,006,864
STAROhio	(461,953)	461,953
GASB Statement No. 3	\$18,857,102	\$2,472,218

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

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

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The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2003 was \$2,981,289 in the general fund and \$419,480 in the bond retirement debt service fund. The amount available as an advance at June 30, 2002, was \$6,111,610 in the general fund and \$707,317 in the bond retirement debt service fund. The difference was in the timing and collection by the County Auditor.

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

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

	2002 Second Half Collection		2003 First Half Collection	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,072,485,940	91.43 %	\$1,092,555,030	91.90 %
Public Utility Personal	23,522,370	2.00	22,213,040	1.87
Tangible Personal Property	77,021,986	6.57	74,078,302	6.23
Total	\$1,173,030,296	100.00 %	\$1,188,846,372	100.00 %
Tax rate per \$1,000 of assessed valuation	\$62.60		\$61.20	

Note 8 - Receivables

Receivables at June 30, 2003, consisted of taxes, accounts (rent, student fees and tuition), intergovernmental grants, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

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A summary of principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Title VI-B	\$122,803
State Improvement	52,500
Title V	17,873
Class Size Reduction Grant	10,588
General	9,954
Title I	9,113
Total Governmental Activities	\$222,831

Note 9 – Interfund Balances and Transfers

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

Interfund Payable	Interfund Receivable General Fund
<i>Governmental Activities</i>	
Nonmajor Funds	
Food Service	\$18,000
Community Education	13,500
Title I	7,200
Title V	15,600
Class Size Reduction Grant	10,000
<i>Total Governmental Activities</i>	\$64,300

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

Transfers made during fiscal year 2003 were \$60,000 to the athletics and music special revenue fund and \$450,000 to the permanent improvement capital projects fund from the general fund. The title V special revenue fund transferred \$2,000 to the drug free schools special revenue fund. \$15,052 was transferred to the title I special revenue fund from the class size reduction grant special revenue fund. General fund transfers are made to cover the operations of the noted funds. Transfers between grant funds were made in accordance with the Ohio Department of Education guidance as supported by the Federal Subsidy Report. \$4,147 was transferred from the bond retirement debt service fund to the building capital projects fund to cover debt payments.

Westlake City School District
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Transfer To	Transfer From				Total
	General	Bond Retirement	Class Size Reduction Grant	Title V	
Major Governmental Fund					
Building	\$0	\$4,147	\$0	\$0	\$4,147
Nonmajor Governmental Funds					
Athletics and Music	60,000	0	0	0	60,000
Title I	0	0	15,052	0	15,052
Drug Free Schools Grant	0	0	0	2,000	2,000
Permanent Improvement	450,000	0	0	0	450,000
<i>Total Nonmajor Governmental Funds</i>	<u>510,000</u>	<u>0</u>	<u>15,052</u>	<u>2,000</u>	<u>527,052</u>
Total All Governmental Funds	<u>\$510,000</u>	<u>\$4,147</u>	<u>\$15,052</u>	<u>\$2,000</u>	<u>\$531,199</u>

Note 10 - Capital Assets

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

	Balance 6/30/2002	Additions	Deductions	Balance 6/30/2003
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$2,468,751	\$0	\$0	\$2,468,751
Depreciable Capital Assets				
Land Improvements	73,051	0	0	73,051
Building and Improvements	43,920,191	1,045,030	0	44,965,221
Furniture and Equipment	5,299,761	233,354	(51,535)	5,481,580
Vehicles	3,547,720	554,421	(384,387)	3,717,754
Textbooks	1,197,743	179,987	0	1,377,730
<i>Total Capital Assets, being depreciated</i>	<u>\$54,038,466</u>	<u>\$2,012,792</u>	<u>(\$435,922)</u>	<u>\$55,615,336</u>

Westlake City School District
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	Balance 6/30/2002	Additions	Deductions	Balance 6/30/2003
Less Accumulated Depreciation				
Land Improvements	(\$2,017)	(\$2,272)	\$0	(\$4,289)
Building and Improvements	(10,526,253)	(722,904)	0	(11,249,157)
Furniture and Equipment	(3,295,597)	(439,667)	28,300	(3,706,964)
Vehicles	(1,800,017)	(256,684)	384,387	(1,672,314)
Textbooks	(766,714)	(189,325)	0	(956,039)
<i>Total Accumulated Depreciation</i>	<u>(16,390,598)</u>	<u>(1,610,852) *</u>	<u>412,687</u>	<u>(17,588,763)</u>
<i>Total capital assets, being depreciated, Net</i>	<u>37,647,868</u>	<u>401,940</u>	<u>(23,235)</u>	<u>38,026,573</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$40,116,619</u>	<u>\$401,940</u>	<u>(\$23,235)</u>	<u>\$40,495,324</u>

* Depreciation expense was charged to governmental functions as follows:

Regular	\$862,240
Special	79,927
Vocational	7,600
Support Services:	
Pupils	83,205
Instructional Staff	43,377
Administration	53,736
Fiscal	6,035
Business	86,200
Operation and Maintenance of Plant	64,749
Pupil Transportation	265,570
Central	2,835
Operation of Non-Instructional Activities	27,067
Extracurricular Activities	28,311
Total Depreciation Expense	<u>\$1,610,852</u>

Note 11 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2003, the School District contracted through the Ohio Schools Council for property and general liability insurance, as well as boiler and machinery coverage. There is a \$5,000 deductible with a one hundred percent co-insurance.

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Professional liability is protected by Great American Alliance Insurance Company with a \$1,000,000 single occurrence limit, a \$5,000,000 aggregate and a \$5,000 deductible. Vehicles are covered by Indiana Insurance Agency and have a \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

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

B. Worker's Compensation

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

C. Employee Medical Benefits

The School District has elected to provide employee medical, surgical, prescription drug and dental benefits through a minimum premium program. The School District maintains a self-insurance internal service fund to account for and finance this program. Employees may choose between two comprehensive major medical plans for medical/surgical insurance. One plan does not restrict the employee's choice of physician or hospital. Claims are subject to a \$200 single and \$400 family first dollar deductible and an 80/20 percent co-pay for the next \$2,000 single/\$4,000 family total of eligible expenses. The other plan is a Preferred Provider Organization for both physicians and hospitals. Claims are subject to a \$100 single and \$200 family first dollar deductible. The dental/vision benefits are subject to certain deductibles, co-pays and maximum benefits as are outlined in the plan. The prescription drug plan utilizes a \$2 deductible per prescription for generic drug and a \$5 deductible per prescription for brand name drugs for the classified staff. The certified staff is afforded a \$5 deductible for generic and \$10 deductible for brand name.

Medical Mutual Insurance administers the plan and reviews all claims which are paid by the School District. The School District pays into the self-insurance internal service fund \$632.96 for family coverage and \$249.20 for single coverage per month which represents the entire premium required. The premium is paid by the fund that pays the salary of the employee and is based on historical cost information.

The School District maintains stop-loss coverage for its medical insurance program. Aggregate stop loss is maintained at 110 percent of expected claims. The aggregate stop-loss was not met in 2003. Medical Mutual Insurance provides claim review and processing for the medical insurance program as well.

The claims liability of \$519,794 reported in the self-insurance fund at June 30, 2003, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2002	\$376,701	\$3,192,481	\$3,087,062	\$482,120
2003	482,120	3,471,074	3,433,400	519,794

Note 12 – Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service and hours worked. Teachers and administrators who are not on a twelve month contract do not earn vacation time. Administrators employed to work 260 days per year earn 20 days of vacation annually. Classified employees and administrators who earn vacation are paid for accumulated unused vacation time upon termination of employment. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 325 days for classified employees. The certified employees' sick leave accrual is continuous, without limit. Upon retirement, all employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 224 days.

B. Insurance Benefits

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

Note 13 - Defined Benefit Pension Plans

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension

Westlake City School District
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obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$463,102, \$229,239, and \$199,292, respectively; 76.24 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly available, stand alone financial report that may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

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The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$2,345,414, \$1,646,470, and \$1,492,775 respectively; 98.87 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$19,512 made by the School District and \$25,379 made by the plan members.

Note 14- Postemployment Benefits

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

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Ohio Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the School District this amount equaled \$180,416 for fiscal year 2003.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS Ohio were \$354,697,000 and STRS Ohio had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established as \$14,500. For the School District, the amount to fund health care benefits, including surcharge, during the 2003 fiscal year equaled \$430,338.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003, were \$204,930,737 and the target level was \$307.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Westlake City School District
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For the Fiscal Year Ended June 30, 2003

Note 15 – Short Term Obligations

The School District's note activity for the fiscal year ended June 30, 2003, is as follows:

	Principal Outstanding 06/30/02	Additions	Deductions	Principal Outstanding 06/30/03
<i>Building Fund:</i>				
School Improvements Note 2.00%	\$0	\$8,700,000	(\$8,700,000)	\$0

During fiscal year 2003, the School District issued and retired \$8,700,000 in school improvement bond anticipation notes for the purpose of constructing a performing arts center. This note was backed by the full faith and credit of Westlake City School District.

Note 16 – Long Term Obligations

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

Debt Issue	Original Issue Date	Original Issue Amount	Interest Rate	Date of Maturity
General Obligation Bonds:				
Additions to Facilities	1986	\$5,050,000	7.25%	December 1, 2004
School Improvements	1997	2,500,000	5.08%	December 1, 2016
School Improvements	1997	24,450,000	5.51%	December 1, 2017
Library Improvements	1998	7,250,000	5.51%	December 1, 2016
School Improvements	2002	8,700,000	4.37%	December 1, 2027

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

	Principal Outstanding 06/30/02	Additions	Deductions	Outstanding Balance 06/30/03	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
Additions to Facility	\$840,000	\$0	(\$280,000)	\$560,000	\$280,000
School Improvements	2,100,000		(100,000)	2,000,000	100,000
School Improvements	20,260,000	0	(1,135,000)	19,125,000	1,270,000
Library Improvements	6,300,000	0	(320,000)	5,980,000	355,000
School Improvements	0	8,700,000	0	8,700,000	220,000
Unamortized Premium	0	171,520	0	171,520	0
Total General Obligation Bonds	29,500,000	8,871,520	(1,835,000)	36,536,520	2,225,000
Capital Leases	266,123	0	(81,738)	184,385	88,518
Compensated Absences	2,676,648	643,238	(503,125)	2,816,761	828,726
Total Governmental Activities Long-Term Liabilities	\$32,442,771	\$9,514,758	(\$2,419,863)	\$39,537,666	\$3,142,244

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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 auxiliary services and food services special revenue funds. Capital lease obligations will be paid from the general fund.

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

In fiscal year 2003, the School District issued bonds for the purpose of constructing a performing arts center in the amount of \$8,700,000. The bonds were issued at a premium of \$167,127 for a 25 year period with final maturity at December 1, 2027.

The overall debt margin of the School District as of June 30, 2003, was \$73,446,563 with an unvoted debt margin of \$1,188,846. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2003, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2004	\$2,225,000	\$1,820,295	\$4,045,295
2005	2,420,000	1,704,158	4,124,158
2006	2,355,000	1,576,716	3,931,716
2007	2,595,000	1,439,090	4,034,090
2008	1,315,000	1,335,554	2,650,554
2009-2013	8,905,000	5,485,766	14,390,766
2014-2018	11,625,000	2,561,631	14,186,631
2019-2023	2,200,000	899,935	3,099,935
2024-2028	2,725,000	352,019	3,077,019
Total	<u>\$36,365,000</u>	<u>\$17,175,164</u>	<u>\$53,540,164</u>

Note 17 - Capital Leases

During the prior fiscal years, the School District entered into several lease agreements for copiers. The School District's lease obligations met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases." Capital lease payments have been reclassified and are reflected as debt service expenditures on a budgetary basis. Capital assets acquired by lease have been originally capitalized in the amount of \$411,282. Accumulated depreciation as of June 30, 2003 was \$164,514, leaving a current book value of \$246,768. 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, 2003.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2004	\$100,069
2005	100,071
Total Minimum Lease Payments	<u>200,140</u>
Less: Amount Representing Interest	<u>(15,755)</u>
Present Value of Minimum Lease Payments	<u><u>\$184,385</u></u>

Note 18 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

B. Litigation

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

Note 19 - Jointly Governed Organizations

A. Lake Erie Educational Computer Association

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization among thirty School Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of a superintendent or designated representative from each participating school district and a representative from the fiscal agent. LEECA is governed by a Board of Directors chosen from the general membership of the LEECA assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and at least one Assembly member from each county in which participating school districts are located. The degree of control exercised by any participating school districts is limited to its representation on the Board. The Westlake City School District paid \$41,464 to LEECA in fiscal year 2003. Financial information can be obtained by contacting the Treasurer at the Lorain County Educational Service Center, who serves as the fiscal agent, at 1885 Lake Avenue, Elyria, Ohio 44035.

Westlake City School District
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B. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2003, the School District paid \$4,694 to the Council. Financial information can be obtained by contacting Kathleen T.Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

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

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

Note 20 - Related Organization

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 21 – State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”

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

Note 22 - Set Asides

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

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

	Textbooks Instructional Materials Reserve	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2002	(\$609,678)	\$0
Current Year Set-aside Requirement	516,739	516,739
Qualifying Disbursements	(573,334)	(516,739)
Total	(\$666,273)	\$0
Set-aside Balance Carried Forward to Future Fiscal Years	(\$666,273)	\$0
Set-aside Reserve Balance as of June 30, 2003	(\$666,273)	\$0

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years.

Combining Statements and Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

Professional Development Grant Fund – This fund accounts for State monies that provide a limitation on the number of professional development subsidy grants.

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

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

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

Local Professional Development Grant Fund - This fund accounts for State monies used to provide seminars and workshops for staff development.

(continued)

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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

School Building Incentive Fund - This fund accounts for State grant money that provides incentive to individual school building teams for improving performance.

Data Communications Support Fund - This fund accounts for State monies received to provide Ohio Educational Computer Network Connections.

School Net Professional Development Fund - This fund accounts for State monies that provide a limitation on the number of professional development subsidy grants.

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

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

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

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

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

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

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

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

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

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

Early Childhood Education Development Fund – This fund accounts for State monies which partially support the preschool program focusing on the early education of handicapped children.

(continued)

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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

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

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

Nonmajor Capital Projects Funds

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

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

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

Westlake School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$873,163	\$373,992	\$1,247,155
Receivables:			
Accounts	1,426	0	1,426
Intergovernmental	212,877	0	212,877
Inventory Held for Resale	4,784	0	4,784
Materials and Supplies Inventory	992	0	992
<i>Total Assets</i>	<u>\$1,093,242</u>	<u>\$373,992</u>	<u>\$1,467,234</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$142,694	\$13,165	\$155,859
Contracts Payable	0	7,728	7,728
Accrued Wages and Benefits	57,736	0	57,736
Interfund Payable	64,300	0	64,300
Intergovernmental Payable	132,348	0	132,348
Deferred Revenue	52,500	0	52,500
<i>Total Liabilities</i>	<u>449,578</u>	<u>20,893</u>	<u>470,471</u>
Fund Balances			
Reserved for Encumbrances	62,079	352,634	414,713
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	581,585	0	581,585
Capital Projects Funds	0	465	465
<i>Total Fund Balances</i>	<u>643,664</u>	<u>353,099</u>	<u>996,763</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,093,242</u>	<u>\$373,992</u>	<u>\$1,467,234</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$1,364,978	\$54,243	\$1,419,221
Interest	2,818	2,928	5,746
Tuition and Fees	651,451	0	651,451
Extracurricular Activities	258,838	0	258,838
Charges for Services	734,192	0	734,192
Contributions and Donations	32,156	0	32,156
Miscellaneous	31,498	0	31,498
<i>Total Revenues</i>	<u>3,075,931</u>	<u>57,171</u>	<u>3,133,102</u>
Expenditures			
Current:			
Instruction:			
Regular	201,693	0	201,693
Special	498,369	0	498,369
Adult/Continuing	40,836	0	40,836
Support Services:			
Pupil	86,143	0	86,143
Instructional Staff	81,818	0	81,818
Board of Education	650	0	650
Administration	99,107	0	99,107
Operation and Maintenance of Plant	3,338	0	3,338
Central	24,715	0	24,715
Operation of Non-Instructional Services	756,871	0	756,871
Extracurricular Activities	519,469	0	519,469
Operation of Food Services	796,763	0	796,763
Capital Outlay	0	484,260	484,260
<i>Total Expenditures</i>	<u>3,109,772</u>	<u>484,260</u>	<u>3,594,032</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(33,841)</u>	<u>(427,089)</u>	<u>(460,930)</u>
Other Financing Sources (Uses)			
Transfers In	77,052	450,000	527,052
Transfers Out	(17,052)	0	(17,052)
<i>Total Other Financing Sources (Uses)</i>	<u>60,000</u>	<u>450,000</u>	<u>510,000</u>
<i>Net Change in Fund Balances</i>	26,159	22,911	49,070
<i>Fund Balances Beginning of Year</i>	<u>617,505</u>	<u>330,188</u>	<u>947,693</u>
<i>Fund Balances End of Year</i>	<u>\$643,664</u>	<u>\$353,099</u>	<u>\$996,763</u>

Westlake City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Food Service	Local Grants	Uniform School Supplies	Interdistrict Summer School
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,495	\$38,679	\$3,842	\$103,370
Receivables:				
Accounts	195	0	0	231
Intergovernmental	0	0	0	0
Inventory Held for Resale	4,784	0	0	0
Materials and Supplies Inventory	992	0	0	0
<i>Total Assets</i>	<u>\$14,466</u>	<u>\$38,679</u>	<u>\$3,842</u>	<u>\$103,601</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$2,149
Accrued Wages and Benefits	28,093	0	0	0
Interfund Payable	18,000	0	0	0
Intergovernmental Payable	2,798	0	0	9,461
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>48,891</u>	<u>0</u>	<u>0</u>	<u>11,610</u>
 Fund Balances				
Reserved for Encumbrances	7,532	0	0	12,123
Unreserved, Undesignated (Deficit)	(41,957)	38,679	3,842	79,868
<i>Total Fund Balances (Deficit)</i>	<u>(34,425)</u>	<u>38,679</u>	<u>3,842</u>	<u>91,991</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$14,466</u>	<u>\$38,679</u>	<u>\$3,842</u>	<u>\$103,601</u>

(continued)

Westlake City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2003

	Community Education	Public School Support	Professional Development Grant	Athletic and Music
Assets				
Equity in Pooled Cash and Cash Equivalents	\$27,821	\$146,937	\$10,075	\$188,373
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$27,821</u>	<u>\$146,937</u>	<u>\$10,075</u>	<u>\$188,373</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$1,516	\$0	\$3,598
Accrued Wages and Benefits	9,417	0	0	0
Interfund Payable	13,500	0	0	0
Intergovernmental Payable	7,999	0	0	150
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>30,916</u>	<u>1,516</u>	<u>0</u>	<u>3,748</u>
Fund Balances				
Reserved for Encumbrances	3,988	6,699	520	7,580
Unreserved, Undesignated (Deficit)	(7,083)	138,722	9,555	177,045
<i>Total Fund Balances (Deficit)</i>	<u>(3,095)</u>	<u>145,421</u>	<u>10,075</u>	<u>184,625</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$27,821</u>	<u>\$146,937</u>	<u>\$10,075</u>	<u>\$188,373</u>

<u>Auxiliary Services</u>	<u>Career Education Program</u>	<u>Educational Management Information Systems</u>	<u>Data Communications Support</u>	<u>School Net Professional Development</u>
\$130,241	\$1,017	\$21,139	\$59,134	\$4,600
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$130,241</u>	<u>\$1,017</u>	<u>\$21,139</u>	<u>\$59,134</u>	<u>\$4,600</u>
\$99,936	\$0	\$0	\$1,350	\$0
18,092	0	474	0	0
0	0	0	0	0
1,850	0	190	600	56
0	0	0	0	0
<u>119,878</u>	<u>0</u>	<u>664</u>	<u>1,950</u>	<u>56</u>
3,167	0	0	900	0
7,196	1,017	20,475	56,284	4,544
<u>10,363</u>	<u>1,017</u>	<u>20,475</u>	<u>57,184</u>	<u>4,544</u>
<u>\$130,241</u>	<u>\$1,017</u>	<u>\$21,139</u>	<u>\$59,134</u>	<u>\$4,600</u>

(continued)

Westlake City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2003

	Ohio Reads Grant	Safe School Help Line	Entry Year Planning	Adult Basic Education
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$150	\$1,388	\$44,238
Receivables:				
Accounts	1,000	0	0	0
Intergovernmental	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$1,000</u>	<u>\$150</u>	<u>\$1,388</u>	<u>\$44,238</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,000	\$308	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>1,000</u>	<u>308</u>	<u>0</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	308	341	0
Unreserved, Undesignated (Deficit)	0	(466)	1,047	44,238
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>(158)</u>	<u>1,388</u>	<u>44,238</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,000</u>	<u>\$150</u>	<u>\$1,388</u>	<u>\$44,238</u>

Eisenhower Math and Science	Title VI-B	Energy Audit	Title I	Title V	Early Childhood Education Development
\$3,319	\$24,774	\$786	\$1,809	\$21,020	\$3,392
0	0	0	0	0	0
0	122,803	0	9,113	17,873	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$3,319</u>	<u>\$147,577</u>	<u>\$786</u>	<u>\$10,922</u>	<u>\$38,893</u>	<u>\$3,392</u>
3,256	3,813	\$0	\$266	\$19,036	\$873
0	0	0	0	0	1,660
0	0	0	7,200	15,600	0
0	107,618	0	0	0	182
0	0	0	0	0	0
<u>3,256</u>	<u>111,431</u>	<u>0</u>	<u>7,466</u>	<u>34,636</u>	<u>2,715</u>
0	14,257	0	881	4	564
63	21,889	786	2,575	4,253	113
<u>63</u>	<u>36,146</u>	<u>786</u>	<u>3,456</u>	<u>4,257</u>	<u>677</u>
<u>\$3,319</u>	<u>\$147,577</u>	<u>\$786</u>	<u>\$10,922</u>	<u>\$38,893</u>	<u>\$3,392</u>

(continued)

Westlake City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2003

	E-Rate Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,089	\$3,874	\$22,601	\$873,163
Receivables:				
Accounts	0	0	0	1,426
Intergovernmental	0	10,588	52,500	212,877
Inventory Held for Resale	0	0	0	4,784
Materials and Supplies Inventory	0	0	0	992
<i>Total Assets</i>	<u>\$2,089</u>	<u>\$14,462</u>	<u>\$75,101</u>	<u>\$1,093,242</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$3,492	\$2,101	\$142,694
Accrued Wages and Benefits	0	0	0	57,736
Interfund Payable	0	10,000	0	64,300
Intergovernmental Payable	0	0	1,444	132,348
Deferred Revenue	0	0	52,500	52,500
<i>Total Liabilities</i>	<u>0</u>	<u>13,492</u>	<u>56,045</u>	<u>449,578</u>
Fund Balances				
Reserved for Encumbrances	0	1	3,214	62,079
Unreserved, Undesignated (Deficit)	2,089	969	15,842	581,585
<i>Total Fund Balances (Deficit)</i>	<u>2,089</u>	<u>970</u>	<u>19,056</u>	<u>643,664</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,089</u>	<u>\$14,462</u>	<u>\$75,101</u>	<u>\$1,093,242</u>

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

	Food Service	Local Grants	Uniform School Supplies	Interdistrict Summer School
Revenues				
Intergovernmental	\$82,177	\$0	\$0	\$0
Interest	459	429	0	0
Tuition and Fees	0	0	0	76,911
Extracurricular Activities	0	0	0	0
Charges for Services	717,887	0	16,305	0
Contributions and Donations	0	13,130	0	0
Miscellaneous	6,203	0	0	0
<i>Total Revenues</i>	<u>806,726</u>	<u>13,559</u>	<u>16,305</u>	<u>76,911</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	13,579	82,729
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Board of Education	0	0	0	0
Administration	0	0	0	12,375
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	4,250
Extracurricular Activities	0	4,636	0	0
Operation of Food Services	796,763	0	0	0
<i>Total Expenditures</i>	<u>796,763</u>	<u>4,636</u>	<u>13,579</u>	<u>99,354</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>9,963</u>	<u>8,923</u>	<u>2,726</u>	<u>(22,443)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	9,963	8,923	2,726	(22,443)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(44,388)</u>	<u>29,756</u>	<u>1,116</u>	<u>114,434</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$34,425)</u>	<u>\$38,679</u>	<u>\$3,842</u>	<u>\$91,991</u>

(continued)

Westlake City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2003

	Community Education	Public School Support	Professional Development Grant	Athletic and Music
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Interest	0	0	0	0
Tuition and Fees	324,327	250,213	0	0
Extracurricular Activities	0	103,118	0	155,720
Charges for Services	0	0	0	0
Contributions and Donations	0	3,800	0	15,226
Miscellaneous	0	3,333	8,010	12,952
<i>Total Revenues</i>	<u>324,327</u>	<u>360,464</u>	<u>8,010</u>	<u>183,898</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	2,820	0
Board of Education	0	650	0	0
Administration	85,161	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	210,845	1,718	0	0
Extracurricular Activities	0	337,257	0	177,576
Operation of Food Services	0	0	0	0
<i>Total Expenditures</i>	<u>296,006</u>	<u>339,625</u>	<u>2,820</u>	<u>177,576</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>28,321</u>	<u>20,839</u>	<u>5,190</u>	<u>6,322</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	60,000
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000</u>
<i>Net Change in Fund Balances</i>	28,321	20,839	5,190	66,322
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(31,416)</u>	<u>124,582</u>	<u>4,885</u>	<u>118,303</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$3,095)</u></u>	<u><u>\$145,421</u></u>	<u><u>\$10,075</u></u>	<u><u>\$184,625</u></u>

Auxiliary Services	Career Education Program	Local Professional Development Grant	Educational Management Information Systems	School Building Incentive	Data Communications Support	School Net Professional Development
\$448,620	\$0	\$0	\$14,020	\$0	\$24,501	\$4,050
1,930	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
450,550	0	0	14,020	0	24,501	4,050
0	0	760	0	129	0	6,874
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	11,899	0	12,816	0
509,847	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
509,847	0	760	11,899	129	12,816	6,874
(59,297)	0	(760)	2,121	(129)	11,685	(2,824)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(59,297)	0	(760)	2,121	(129)	11,685	(2,824)
69,660	1,017	760	18,354	129	45,499	7,368
\$10,363	\$1,017	\$0	\$20,475	\$0	\$57,184	\$4,544

(continued)

Westlake City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2003

	Ohio Reads Grant	Safe School Help Line	Entry Year Planning	Adult Basic Education
Revenues				
Intergovernmental	\$8,000	\$3,338	\$2,000	\$95,478
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	1,000	0	0	0
<i>Total Revenues</i>	<u>9,000</u>	<u>3,338</u>	<u>2,000</u>	<u>95,478</u>
Expenditures				
Current:				
Instruction:				
Regular	0	308	0	0
Special	0	0	0	0
Adult/Continuing	0	0	0	40,836
Support Services:				
Pupil	0	0	0	0
Instructional Staff	9,000	0	612	42,832
Board of Education	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	3,338	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Operation of Food Services	0	0	0	0
<i>Total Expenditures</i>	<u>9,000</u>	<u>3,646</u>	<u>612</u>	<u>83,668</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(308)</u>	<u>1,388</u>	<u>11,810</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(308)	1,388	11,810
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>150</u>	<u>0</u>	<u>32,428</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$158)</u>	<u>\$1,388</u>	<u>\$44,238</u>

Eisenhower Math and Science	Title VI-B	Energy Audit	Title I	Title V	Drug Free Schools Grant	Early Childhood Education Development
\$0	\$415,200	\$0	\$86,114	\$24,802	\$13,404	\$17,527
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	415,200	0	86,114	24,802	13,404	17,527
0	0	0	0	39,573	0	0
0	376,876	0	98,836	0	0	0
0	0	0	0	0	0	0
0	45,712	0	0	0	14,463	19,346
19,707	3,979	0	0	0	0	140
0	0	0	0	0	0	0
0	764	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
801	22,013	0	0	5,941	755	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
20,508	449,344	0	98,836	45,514	15,218	19,486
(20,508)	(34,144)	0	(12,722)	(20,712)	(1,814)	(1,959)
0	0	0	15,052	0	2,000	0
0	0	0	0	(2,000)	0	0
0	0	0	15,052	(2,000)	2,000	0
(20,508)	(34,144)	0	2,330	(22,712)	186	(1,959)
20,571	70,290	786	1,126	26,969	(186)	2,636
\$63	\$36,146	\$786	\$3,456	\$4,257	\$0	\$677

(continued)

Westlake City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2003

	E-Rate Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues				
Intergovernmental	\$2,089	\$74,824	\$48,834	\$1,364,978
Interest	0	0	0	2,818
Tuition and Fees	0	0	0	651,451
Extracurricular Activities	0	0	0	258,838
Charges for Services	0	0	0	734,192
Contributions and Donations	0	0	0	32,156
Miscellaneous	0	0	0	31,498
<i>Total Revenues</i>	<u>2,089</u>	<u>74,824</u>	<u>48,834</u>	<u>3,075,931</u>
Expenditures				
Current:				
Instruction:				
Regular	0	57,741	0	201,693
Special	0	0	22,657	498,369
Adult/Continuing	0	0	0	40,836
Support Services:				
Pupil	0	0	6,622	86,143
Instructional Staff	0	0	2,728	81,818
Board of Education	0	0	0	650
Administration	0	0	807	99,107
Operation and Maintenance of Plant	0	0	0	3,338
Central	0	0	0	24,715
Operation of Non-Instructional Services	0	701	0	756,871
Extracurricular Activities	0	0	0	519,469
Operation of Food Services	0	0	0	796,763
<i>Total Expenditures</i>	<u>0</u>	<u>58,442</u>	<u>32,814</u>	<u>3,109,772</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,089</u>	<u>16,382</u>	<u>16,020</u>	<u>(33,841)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	77,052
Transfers Out	0	(15,052)	0	(17,052)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(15,052)</u>	<u>0</u>	<u>60,000</u>
<i>Net Change in Fund Balances</i>	2,089	1,330	16,020	26,159
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>(360)</u>	<u>3,036</u>	<u>617,505</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,089</u>	<u>\$970</u>	<u>\$19,056</u>	<u>\$643,664</u>

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

	Permanent Improvement	School Net Plus	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$0	\$54,243	\$54,243
Interest	2,928	0	2,928
Miscellaneous	0	0	0
<i>Total Revenues</i>	2,928	54,243	57,171
Expenditures			
Capital Outlay	430,017	54,243	484,260
<i>Excess of Revenues Over (Under) Expenditures</i>	(427,089)	0	(427,089)
Other Financing Sources			
Transfers In	450,000	0	450,000
<i>Net Change in Fund Balances</i>	22,911	0	22,911
<i>Fund Balances Beginning of Year</i>	330,188	0	330,188
<i>Fund Balances End of Year</i>	<u>\$353,099</u>	<u>\$0</u>	<u>\$353,099</u>

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

	Beginning Balance <u>June 30, 2002</u>	Additions	Reductions	Ending Balance <u>June 30, 2003</u>
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$147,480	\$329,031	\$312,939	\$163,572
Accounts Receivable	<u>345</u>	<u>0</u>	<u>345</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$147,825</u></u>	<u><u>\$329,031</u></u>	<u><u>\$313,284</u></u>	<u><u>\$163,572</u></u>
Liabilities				
Accounts Payable	\$2,877	\$2,588	\$2,877	\$2,588
Due to Students	<u>144,948</u>	<u>326,443</u>	<u>310,407</u>	<u>160,984</u>
<i>Total Liabilities</i>	<u><u>\$147,825</u></u>	<u><u>\$329,031</u></u>	<u><u>\$313,284</u></u>	<u><u>\$163,572</u></u>

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

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$29,902,989	\$29,218,715	\$30,626,329	\$1,407,614
Intergovernmental	6,748,475	6,907,483	6,911,718	4,235
Interest	291,320	316,791	298,367	(18,424)
Tuition and Fees	66,501	44,107	68,110	24,003
Rentals	59,286	49,712	60,720	11,008
Miscellaneous	49,803	39,654	95,184	55,530
<i>Total Revenues</i>	<u>37,118,374</u>	<u>36,576,462</u>	<u>38,060,428</u>	<u>1,483,966</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	12,741,579	12,491,198	12,491,198	0
Fringe Benefits	4,174,518	4,011,647	3,920,803	90,844
Purchased Services	1,644,486	1,682,862	1,598,086	84,776
Materials and Supplies	956,746	922,083	894,465	27,618
Capital Outlay - New	441,228	421,622	410,282	11,340
Capital Outlay - Replacement	0	16,075	16,074	1
Total Regular	<u>19,958,557</u>	<u>19,545,487</u>	<u>19,330,908</u>	<u>214,579</u>
Special:				
Salaries and Wages	2,172,314	2,142,708	2,044,053	98,655
Fringe Benefits	810,099	839,705	839,676	29
Purchased Services	4,118	4,830	4,162	668
Materials and Supplies	29,593	27,926	22,989	4,937
Capital Outlay - New	2,493	5,749	5,720	29
Total Special	<u>3,018,617</u>	<u>3,020,918</u>	<u>2,916,600</u>	<u>104,318</u>
Vocational:				
Salaries and Wages	208,396	270,165	270,165	0
Fringe Benefits	62,523	83,190	83,190	0
Purchased Services	22,450	22,450	21,788	662
Materials and Supplies	5,987	12,169	12,169	0
Total Vocational	<u>299,356</u>	<u>387,974</u>	<u>387,312</u>	<u>662</u>
Total Instruction	<u>\$23,276,530</u>	<u>\$22,954,379</u>	<u>\$22,634,820</u>	<u>\$319,559</u>

(continued)

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries and Wages	\$1,349,455	\$1,349,455	\$1,336,136	\$13,319
Fringe Benefits	440,396	440,396	428,998	11,398
Purchased Services	432,569	434,000	402,009	31,991
Materials and Supplies	136,345	136,135	130,324	5,811
Other	0	608	608	0
Total Pupils	<u>2,358,765</u>	<u>2,360,594</u>	<u>2,298,075</u>	<u>62,519</u>
Instructional Staff:				
Salaries and Wages	1,246,590	1,246,589	1,220,102	26,487
Fringe Benefits	483,058	483,058	479,920	3,138
Purchased Services	142,560	157,315	134,966	22,349
Materials and Supplies	190,008	185,325	162,178	23,147
Capital Outlay - New	0	4,685	4,283	402
Capital Outlay - Replacement	0	305	240	65
Other	450	648	648	0
Total Instructional Staff	<u>2,062,666</u>	<u>2,077,925</u>	<u>2,002,337</u>	<u>75,588</u>
Board of Education:				
Salaries and Wages	12,400	12,400	11,520	880
Purchased Services	1,200	1,200	1,042	158
Materials and Supplies	2,200	2,200	1,580	620
Other	4,300	6,715	6,715	0
Total Board of Education	<u>20,100</u>	<u>22,515</u>	<u>20,857</u>	<u>1,658</u>
Administration:				
Salaries and Wages	1,441,658	1,441,658	1,425,346	16,312
Fringe Benefits	568,537	636,037	636,037	0
Purchased Services	377,599	243,367	230,485	12,882
Materials and Supplies	40,466	37,801	31,017	6,784
Capital Outlay - New	1,582	2,179	1,160	1,019
Other	55,100	59,366	32,222	27,144
Total Administration	<u>2,484,942</u>	<u>2,420,408</u>	<u>2,356,267</u>	<u>64,141</u>
Fiscal:				
Salaries and Wages	253,912	269,099	269,099	0
Fringe Benefits	103,716	111,949	111,949	0
Purchased Services	34,621	36,981	36,981	0
Materials and Supplies	7,645	7,645	7,503	142
Capital Outlay - New	3,315	2,721	214	2,507
Other	625,644	602,084	558,371	43,713
Total Fiscal	<u>\$1,028,853</u>	<u>\$1,030,479</u>	<u>\$984,117</u>	<u>\$46,362</u>

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Business:				
Salaries and Wages	\$213,556	\$213,556	\$202,160	\$11,396
Fringe Benefits	64,219	64,219	59,291	4,928
Purchased Services	105,973	108,320	102,838	5,482
Materials and Supplies	3,211	3,417	3,417	0
Capital Outlay - New	0	278	238	40
Other	500	500	5	495
Total Business	387,459	390,290	367,949	22,341
Operation and Maintenance of Plant:				
Salaries and Wages	1,401,407	1,401,407	1,390,220	11,187
Fringe Benefits	478,569	478,569	471,357	7,212
Purchased Services	1,314,124	1,345,655	1,303,225	42,430
Materials and Supplies	232,401	231,288	194,450	36,838
Capital Outlay - New	0	3,164	3,164	0
Capital Outlay - Replacement	5,000	15,459	15,458	1
Total Operation and Maintenance of Plant	3,431,501	3,475,542	3,377,874	97,668
Pupil Transportation:				
Salaries and Wages	1,523,755	1,595,426	1,595,426	0
Fringe Benefits	663,475	717,439	715,467	1,972
Purchased Services	201,606	210,690	209,723	967
Materials and Supplies	273,074	287,547	274,350	13,197
Capital Outlay - New	0	17,166	17,166	0
Capital Outlay - Replacement	290,000	688,347	688,347	0
Total Pupil Transportation	2,951,910	3,516,615	3,500,479	16,136
Central:				
Salaries and Wages	42,617	42,617	42,454	163
Fringe Benefits	20,796	21,116	21,116	0
Purchased Services	51,550	51,614	41,287	10,327
Materials and Supplies	3,224	3,224	3,185	39
Other	0	50	50	0
Total Central	118,187	118,621	108,092	10,529
Total Support Services	14,844,383	15,412,989	15,016,047	396,942
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Fringe Benefits	102,310	102,310	97,084	5,226
Purchased Services	15,686	15,686	13,848	1,838
Total Academic and Subject Oriented Activities	\$117,996	\$117,996	\$110,932	\$7,064

(continued)

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Sports Oriented Activities:				
Fringe Benefits	\$470,462	\$470,462	\$459,319	\$11,143
Purchased Services	98,806	98,806	95,109	3,697
Materials and Supplies	14,300	14,300	7,300	7,000
Other	0	15	15	0
Total Sports Oriented Activities	583,568	583,583	561,743	21,840
Total Extracurricular Activities	701,564	701,579	672,675	28,904
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	35,000	21,296	19,110	2,186
Capital Outlay - Replacement	40,358	24,439	0	24,439
Other	2,300	2,300	36	2,264
Total Capital Outlay	77,658	48,035	19,146	28,889
<i>Total Expenditures</i>	38,900,135	39,116,982	38,342,688	774,294
<i>Excess of Revenues Under Expenditures</i>	(1,781,761)	(2,540,520)	(282,260)	2,258,260
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	2,074	2,074
Advances In	50,000	50,000	18,500	(31,500)
Advances Out	(57,500)	(57,500)	(57,300)	200
Transfers Out	(510,000)	(510,000)	(510,000)	0
<i>Total Other Financing Sources (Uses)</i>	(517,500)	(517,500)	(546,726)	(29,226)
<i>Net Change in Fund Balance</i>	(2,299,261)	(3,058,020)	(828,986)	2,229,034
<i>Fund Balance Beginning of Year</i>	4,748,619	4,748,619	4,748,619	0
Prior Year Encumbrances Appropriated	1,587,771	1,587,771	1,587,771	0
<i>Fund Balance End of Year</i>	\$4,037,129	\$3,278,370	\$5,507,404	\$2,229,034

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$3,097,132	\$3,444,414	\$3,509,049	\$64,635
Intergovernmental	396,752	441,239	443,574	2,335
Interest	22,852	22,852	22,852	0
<i>Total Revenues</i>	<u>3,516,736</u>	<u>3,908,505</u>	<u>3,975,475</u>	<u>66,970</u>
Expenditures				
Debt Service:				
Principal Retirement	1,837,500	10,535,000	10,535,000	0
Interest and Fiscal Charges	1,580,855	1,748,727	1,748,552	175
Bond Issuance Costs	122,152	122,152	122,152	0
<i>Total Expenditures</i>	<u>3,540,507</u>	<u>12,405,879</u>	<u>12,405,704</u>	<u>175</u>
<i>Excess of Revenues Under Expenditures</i>	(23,771)	(8,497,374)	(8,430,229)	67,145
Other Financing Sources				
General Obligation Bonds Issued	171,520	8,871,520	8,871,520	0
<i>Net Change in Fund Balance</i>	147,749	374,146	441,291	67,145
<i>Fund Balance Beginning of Year</i>	<u>1,944,995</u>	<u>1,944,995</u>	<u>1,944,995</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,092,744</u></u>	<u><u>\$2,319,141</u></u>	<u><u>\$2,386,286</u></u>	<u><u>\$67,145</u></u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$10,158	\$72,746	\$82,830	\$10,084
Miscellaneous	1,842	13,192	15,020	1,828
<i>Total Revenues</i>	12,000	85,938	97,850	11,912
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	0	556	556	0
Capital Outlay:				
Building Acquisition and Construction Services:				
Purchased Services	162,000	647,874	647,872	2
Capital Outlay - New	50,000	959,837	957,460	2,377
Capital Outlay - Replacement	12,377	75,076	75,076	0
<i>Total Capital Outlay</i>	224,377	1,682,787	1,680,408	2,379
<i>Total Expenditures</i>	224,377	1,683,343	1,680,964	2,379
<i>Excess of Revenues Under Expenditures</i>	(212,377)	(1,597,405)	(1,583,114)	14,291
Other Financing Sources				
Notes Issued	0	8,700,000	8,700,000	0
<i>Net Change in Fund Balance</i>	(212,377)	7,102,595	7,116,886	14,291
<i>Fund Balance Beginning of Year</i>	1,156,532	1,156,532	1,156,532	0
Prior Year Encumbrances Appropriated	12,377	12,377	12,377	0
<i>Fund Balance End of Year</i>	\$956,532	\$8,271,504	\$8,285,795	\$14,291

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$61,718	\$65,349	\$64,799	(\$550)
Interest	437	463	459	(4)
Charges for Services	684,637	724,920	718,819	(6,101)
Miscellaneous	5,908	6,255	6,203	(52)
<i>Total Revenues</i>	<u>752,700</u>	<u>796,987</u>	<u>790,280</u>	<u>(6,707)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Operation of Food Services:				
Salaries and Wages	299,687	315,270	315,270	0
Fringe Benefits	127,029	124,166	124,166	0
Purchased Services	1,000	1,450	1,450	0
Materials and Supplies	335,000	359,113	358,513	600
<i>Total Expenditures</i>	<u>762,716</u>	<u>799,999</u>	<u>799,399</u>	<u>600</u>
<i>Net Change in Fund Balance</i>	(10,016)	(3,012)	(9,119)	(6,107)
<i>Fund Balance Beginning of Year</i>	<u>10,082</u>	<u>10,082</u>	<u>10,082</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$66</u>	<u>\$7,070</u>	<u>\$963</u>	<u>(\$6,107)</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$111	\$162	\$429	\$267
Contributions and Donations	3,389	4,953	13,130	8,177
<i>Total Revenues</i>	<u>3,500</u>	<u>5,115</u>	<u>13,559</u>	<u>8,444</u>
Expenditures				
Current:				
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Purchased Services	9,800	9,836	6,136	3,700
Materials and Supplies	0	1,353	0	1,353
Capital Outlay - New	0	499	0	499
<i>Total Expenditures</i>	<u>9,800</u>	<u>11,688</u>	<u>6,136</u>	<u>5,552</u>
<i>Net Change in Fund Balance</i>	(6,300)	(6,573)	7,423	13,996
<i>Fund Balance Beginning of Year</i>	30,755	30,755	30,755	0
Prior Year Encumbrances Appropriated	501	501	501	0
<i>Fund Balance End of Year</i>	<u>\$24,956</u>	<u>\$24,683</u>	<u>\$38,679</u>	<u>\$13,996</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$17,000	\$17,000	\$16,305	(\$695)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	17,679	17,679	13,775	3,904
<i>Net Change in Fund Balance</i>	(679)	(679)	2,530	3,209
<i>Fund Balance Beginning of Year</i>	283	283	283	0
Prior Year Encumbrances Appropriated	1,029	1,029	1,029	0
<i>Fund Balance End of Year</i>	<u>\$633</u>	<u>\$633</u>	<u>\$3,842</u>	<u>\$3,209</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$80,000	\$69,505	\$76,680	\$7,175
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	47,505	47,543	47,543	0
Fringe Benefits	7,286	7,292	7,292	0
Materials and Supplies	392	725	725	0
Capital Outlay - New	65,727	42,678	42,678	0
Total Instruction	120,910	98,238	98,238	0
Support Services:				
Administration:				
Salaries and Wages	9,750	9,750	9,750	0
Fringe Benefits	2,111	2,111	2,111	0
Purchased Services	210	210	210	0
Materials and Supplies	89	89	89	0
Capital Outlay - New	215	215	215	0
Total Support Services	12,375	12,375	12,375	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	4,250	4,250	0
<i>Total Expenditures</i>	133,285	114,863	114,863	0
<i>Net Change in Fund Balance</i>	(53,285)	(45,358)	(38,183)	7,175
<i>Fund Balance Beginning of Year</i>	92,518	92,518	92,518	0
Prior Year Encumbrances Appropriated	36,042	36,042	36,042	0
<i>Fund Balance End of Year</i>	\$75,275	\$83,202	\$90,377	\$7,175

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$331,100	\$319,207	\$324,327	\$5,120
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	2,491	2,491	2,491	0
Materials and Supplies	1,081	1,081	1,081	0
Capital Outlay - New	416	416	416	0
Total Instruction	3,988	3,988	3,988	0
Support Services:				
Administration:				
Salaries and Wages	55,434	56,093	56,093	0
Fringe Benefits	45,510	30,798	30,798	0
Total Support Services	100,944	86,891	86,891	0
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	170,410	158,459	158,459	0
Fringe Benefits	29,477	44,478	44,478	0
Purchased Services	16,480	8,303	8,303	0
Materials and Supplies	23,222	16,413	16,031	382
Capital Outlay - New	84	479	479	0
Total Operation of Non-Instructional Services	239,673	228,132	227,750	382
<i>Total Expenditures</i>	344,605	319,011	318,629	382
<i>Excess of Revenues Over (Under) Expenditures</i>	(13,505)	196	5,698	5,502
Other Financing Sources				
Advances In	6,000	6,000	6,000	0
<i>Net Change in Fund Balance</i>	(7,505)	6,196	11,698	5,502
<i>Fund Balance Beginning of Year</i>	9,812	9,812	9,812	0
Prior Year Encumbrances Appropriated	2,323	2,323	2,323	0
<i>Fund Balance End of Year</i>	\$4,630	\$18,331	\$23,833	\$5,502

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$222,126	\$249,892	\$250,213	\$321
Extracurricular Activities	91,543	102,986	103,118	132
Contributions and Donations	3,373	3,795	3,800	5
Miscellaneous	2,958	3,327	3,332	5
<i>Total Revenues</i>	320,000	360,000	360,463	463
Expenditures				
Current:				
Support Services:				
Board of Education:				
Purchased Services	0	1,500	650	850
Operation of Non-Instructional Services:				
Other Operation of Non-Instructional Services:				
Materials and Supplies	427	3,537	2,218	1,319
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Purchased Services	0	0	5,119	(5,119)
Materials and Supplies	318,870	342,724	328,323	14,401
Capital Outlay - New	355	355	11,706	(11,351)
<i>Total Extracurricular Activities</i>	319,225	343,079	345,148	(2,069)
<i>Total Expenditures</i>	319,652	348,116	348,016	100
<i>Net Change in Fund Balance</i>	348	11,884	12,447	563
<i>Fund Balance Beginning of Year</i>	121,116	121,116	121,116	0
Prior Year Encumbrances Appropriated	4,652	4,652	4,652	0
<i>Fund Balance End of Year</i>	\$126,116	\$137,652	\$138,215	\$563

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$1,500	\$9,510	\$9,510	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	304	100	0	100
Capital Outlay - New	47	0	0	0
Total Instruction	351	100	0	100
Support Services:				
Pupil:				
Materials and Supplies	0	250	0	250
Instructional Staff:				
Salaries and Wages	0	3,400	0	3,400
Fringe Benefits	0	534	0	534
Purchased Services	2,260	4,722	1,337	3,385
Materials and Supplies	1,877	3,431	2,003	1,428
Total Instructional Staff	4,137	12,087	3,340	8,747
Total Support Services	4,137	12,337	3,340	8,997
<i>Total Expenditures</i>	4,488	12,437	3,340	9,097
<i>Net Change in Fund Balance</i>	(2,988)	(2,927)	6,170	9,097
<i>Fund Balance Beginning of Year</i>	3,385	3,385	3,385	0
<i>Fund Balance End of Year</i>	\$397	\$458	\$9,555	\$9,097

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

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Extracurricular Activities	\$153,550	\$155,720	\$155,720	\$0
Contributions and Donations	15,014	15,226	15,226	0
Miscellaneous	11,936	12,952	12,952	0
<i>Total Revenues</i>	180,500	183,898	183,898	0
Expenditures				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	0	40,000	3,980	36,020
Fringe Benefits	0	4,600	596	4,004
Purchased Services	0	74,500	67,370	7,130
Materials and Supplies	352,232	61,132	98,021	(36,889)
Capital Outlay - New	0	12,000	1,743	10,257
Capital Outlay - Replacement	0	10,500	144	10,356
Other	541	25,041	16,604	8,437
<i>Total Expenditures</i>	352,773	227,773	188,458	39,315
<i>Excess of Revenues Under Expenditures</i>	(172,273)	(43,875)	(4,560)	39,315
Other Financing Sources				
Transfers In	60,000	60,000	60,000	0
<i>Net Change in Fund Balance</i>	(112,273)	16,125	55,440	39,315
<i>Fund Balance Beginning of Year</i>	119,465	119,465	119,465	0
Prior Year Encumbrances Appropriated	2,772	2,772	2,772	0
<i>Fund Balance End of Year</i>	\$9,964	\$138,362	\$177,677	\$39,315

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$464,950	\$448,461	\$448,620	\$159
Interest	2,000	1,929	1,930	1
<i>Total Revenues</i>	<u>466,950</u>	<u>450,390</u>	<u>450,550</u>	<u>160</u>
Expenditures				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	76,931	93,237	79,753	13,484
Fringe Benefits	40,680	46,912	40,278	6,634
Purchased Services	80,383	181,442	181,272	170
Materials and Supplies	188,145	173,157	167,345	5,812
Capital Outlay - New	58,576	53,556	53,005	551
<i>Total Expenditures</i>	<u>444,715</u>	<u>548,304</u>	<u>521,653</u>	<u>26,651</u>
<i>Net Change in Fund Balance</i>	22,235	(97,914)	(71,103)	26,811
<i>Fund Balance Beginning of Year</i>	71,122	71,122	71,122	0
Prior Year Encumbrances Appropriated	26,792	26,792	26,792	0
<i>Fund Balance End of Year</i>	<u>\$120,149</u>	<u>\$0</u>	<u>\$26,811</u>	<u>\$26,811</u>

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

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>806</u>	<u>806</u>	<u>806</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(806)	(806)	(806)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>806</u>	<u>806</u>	<u>806</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$10,000	\$14,020	\$14,020	\$0
Expenditures				
Current:				
Instruction:				
Support Services:				
Central:				
Salaries and Wages	13,546	12,958	7,770	5,188
Purchased Services	5,505	6,093	4,161	1,932
<i>Total Expenditures</i>	<u>19,051</u>	<u>19,051</u>	<u>11,931</u>	<u>7,120</u>
<i>Net Change in Fund Balance</i>	(9,051)	(5,031)	2,089	7,120
<i>Fund Balance Beginning of Year</i>	<u>19,050</u>	<u>19,050</u>	<u>19,050</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,999</u></u>	<u><u>\$14,019</u></u>	<u><u>\$21,139</u></u>	<u><u>\$7,120</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>129</u>	<u>129</u>	<u>129</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(129)	(129)	(129)	0
<i>Fund Balance Beginning of Year</i>	<u>129</u>	<u>129</u>	<u>129</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$24,500	\$24,500	\$24,500	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	<u>47,647</u>	<u>72,147</u>	<u>13,464</u>	<u>58,683</u>
<i>Net Change in Fund Balance</i>	(23,147)	(47,647)	11,036	58,683
<i>Fund Balance Beginning of Year</i>	47,198	47,198	47,198	0
Prior Year Encumbrances Appropriated	<u>450</u>	<u>450</u>	<u>450</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$24,501</u>	<u>\$1</u>	<u>\$58,684</u>	<u>\$58,683</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$8,050	\$7,500	\$4,050	(\$3,450)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,600	8,643	4,658	3,985
Fringe Benefits	992	1,329	714	615
Purchased Services	0	1,670	1,670	0
<i>Total Expenditures</i>	7,592	11,642	7,042	4,600
<i>Net Change in Fund Balance</i>	458	(4,142)	(2,992)	1,150
<i>Fund Balance Beginning of Year</i>	7,592	7,592	7,592	0
<i>Fund Balance End of Year</i>	\$8,050	\$3,450	\$4,600	\$1,150

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

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

Westlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Safe Schools Help Line Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,338	\$3,338	\$3,338	\$0
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	149	3,487	3,338	149
<i>Net Change in Fund Balance</i>	3,189	(149)	0	149
<i>Fund Balance Beginning of Year</i>	150	150	150	0
<i>Fund Balance End of Year</i>	<u>\$3,339</u>	<u>\$1</u>	<u>\$150</u>	<u>\$149</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,000	\$2,000	\$2,000	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	1,000	1,000	0	1,000
Materials and Supplies	1,000	1,000	953	47
<i>Total Expenditures</i>	<u>2,000</u>	<u>2,000</u>	<u>953</u>	<u>1,047</u>
<i>Net Change in Fund Balance</i>	0	0	1,047	1,047
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,047</u>	<u>\$1,047</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$95,478	\$95,478	\$95,478	\$0
Expenditures				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	67,518	64,334	34,136	30,198
Fringe Benefits	11,147	10,320	5,555	4,765
Purchased Services	600	600	600	0
Materials and Supplies	2,581	1,303	917	386
Total Instruction	81,846	76,557	41,208	35,349
Support Services:				
Instructional Staff:				
Salaries and Wages	37,250	41,456	34,006	7,450
Fringe Benefits	6,415	6,678	5,455	1,223
Purchased Services	1,500	793	577	216
Capital Outlay - New	1,267	2,794	2,794	0
Total Support Services	46,432	51,721	42,832	8,889
<i>Total Expenditures</i>	<i>128,278</i>	<i>128,278</i>	<i>84,040</i>	<i>44,238</i>
<i>Net Change in Fund Balance</i>	<i>(32,800)</i>	<i>(32,800)</i>	<i>11,438</i>	<i>44,238</i>
<i>Fund Balance Beginning of Year</i>	<i>32,550</i>	<i>32,550</i>	<i>32,550</i>	<i>0</i>
Prior Year Encumbrances Appropriated	250	250	250	0
<i>Fund Balance End of Year</i>	<i>\$0</i>	<i>\$0</i>	<i>\$44,238</i>	<i>\$44,238</i>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$13,800	\$13,800	\$0	(\$13,800)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	4,875	3,000	3,000	0
Fringe Benefits	754	464	464	0
Purchased Services	11,160	13,726	13,726	0
Materials and Supplies	2,980	2,579	2,517	62
Total Support Services	19,769	19,769	19,707	62
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	801	801	801	0
Total Expenditures	20,570	20,570	20,508	62
Net Change in Fund Balance	(6,770)	(6,770)	(20,508)	(13,738)
Fund Balance Beginning of Year	15,707	15,707	15,707	0
Prior Year Encumbrances Appropriated	4,864	4,864	4,864	0
Fund Balance End of Year	\$13,801	\$13,801	\$63	(\$13,738)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$385,200	\$292,397	\$292,397	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	1,725	9,965	3,863	6,102
Fringe Benefits	275	1,685	605	1,080
Purchased Services	375,312	378,847	378,847	0
Materials and Supplies	9,267	9,267	9,222	45
Total Instruction	386,579	399,764	392,537	7,227
Support Services:				
Pupil:				
Purchased Services	46,911	43,377	43,377	0
Capital Outlay - New	1,300	1,300	1,290	10
Total Pupil	48,211	44,677	44,667	10
Instructional Staff:				
Purchased Services	0	18,350	3,720	14,630
Materials and Supplies	0	2,000	259	1,741
Total Instructional Staff	0	20,350	3,979	16,371
Administration:				
Capital Outlay - New	764	764	764	0
Total Support Services	48,975	65,791	49,410	16,381
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	22,013	22,013	22,013	0
<i>Total Expenditures</i>	457,567	487,568	463,960	23,608
<i>Excess of Revenues Under Expenditures</i>	(72,367)	(195,171)	(171,563)	23,608
Other Financing Sources (Uses)				
Advances In	0	15,000	15,000	0
Advances Out	0	(15,000)	(15,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Net Change in Fund Balance</i>	(72,367)	(195,171)	(171,563)	23,608
<i>Fund Balance Beginning of Year</i>	71,770	71,770	71,770	0
Prior Year Encumbrances Appropriated	597	597	597	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$122,804)	(\$99,196)	\$23,608

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

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$81,437	\$78,806	\$78,806	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	82,448	82,448	82,448	0
Fringe Benefits	13,318	13,269	13,266	3
Purchased Services	5,096	4,135	2,538	1,597
Materials and Supplies	3,122	3,414	2,439	975
<i>Total Expenditures</i>	<u>103,984</u>	<u>103,266</u>	<u>100,691</u>	<u>2,575</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(22,547)</u>	<u>(24,460)</u>	<u>(21,885)</u>	<u>2,575</u>
Other Financing Sources				
Advances In	7,200	7,200	7,200	0
Transfers In	15,052	15,052	15,052	0
<i>Total Other Financing Sources</i>	<u>22,252</u>	<u>22,252</u>	<u>22,252</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(295)	(2,208)	367	2,575
<i>Fund Balance Beginning of Year</i>	<u>295</u>	<u>295</u>	<u>295</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$1,913)</u>	<u>\$662</u>	<u>\$2,575</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$24,400	\$6,954	\$6,954	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	15,667	15,657	15,657	0
Fringe Benefits	2,496	2,496	2,496	0
Materials and Supplies	24,064	5,028	5,028	0
Total Instruction	42,227	23,181	23,181	0
Support Services:				
Instructional Staff:				
Purchased Services	0	19,036	19,036	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	10,133	10,132	7,759	2,373
<i>Total Expenditures</i>	52,360	52,349	49,976	2,373
<i>Excess of Revenues Under Expenditures</i>	(27,960)	(45,395)	(43,022)	2,373
Other Financing Sources (Uses)				
Advances In	15,600	15,600	15,600	0
Advances Out	(25)	(25)	(25)	0
Transfers Out	0	(2,000)	(2,000)	0
<i>Total Other Financing Sources (Uses)</i>	15,575	13,575	13,575	0
<i>Net Change in Fund Balance</i>	(12,385)	(31,820)	(29,447)	2,373
<i>Fund Balance Beginning of Year</i>	21,935	21,935	21,935	0
Prior Year Encumbrances Appropriated	7,678	7,678	7,678	0
<i>Fund Balance (Deficit) End of Year</i>	\$17,228	(\$2,207)	\$166	\$2,373

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$13,424	\$13,404	\$13,404	\$0
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	14,671	14,651	14,651	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	755	755	755	0
<i>Total Expenditures</i>	<u>15,426</u>	<u>15,406</u>	<u>15,406</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(2,002)	(2,002)	(2,002)	0
Other Financing Sources				
Transfers In	2,000	2,000	2,000	0
<i>Net Change in Fund Balance</i>	(2)	(2)	(2)	0
<i>Fund Balance Beginning of Year</i>	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Westlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Early Childhood Education Development Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$14,027	\$17,527	\$17,527	\$0
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	11,388	10,203	8,902	1,301
Fringe Benefits	4,091	4,183	3,618	565
Purchased Services	225	1,318	1,318	0
Materials and Supplies	6,112	5,818	5,796	22
Capital Outlay - New	0	1,000	933	67
Total Pupil	21,816	22,522	20,567	1,955
Instructional Staff:				
Purchased Services	846	140	140	0
<i>Total Expenditures</i>	22,662	22,662	20,707	1,955
<i>Excess of Revenues Under Expenditures</i>	(8,635)	(5,135)	(3,180)	1,955
Other Financing Sources (Uses)				
Advances In	3,500	3,500	3,500	0
Advances Out	0	(3,500)	(3,500)	0
<i>Total Other Financing Sources (Uses)</i>	3,500	0	0	0
<i>Net Change in Fund Balance</i>	(5,135)	(5,135)	(3,180)	1,955
<i>Fund Balance Beginning of Year</i>	3,904	3,904	3,904	0
Prior Year Encumbrances Appropriated	1,231	1,231	1,231	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$1,955	\$1,955

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

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

Westlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Class Size Reduction Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$49,833	\$64,236	\$64,236	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	37,000	37,000	37,000	0
Fringe Benefits	7,546	7,546	7,546	0
Purchased Services	13,000	13,001	13,001	0
Materials and Supplies	1,303	1,241	275	966
Total Instruction	58,849	58,788	57,822	966
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	1,074	1,074	1,071	3
<i>Total Expenditures</i>	59,923	59,862	58,893	969
<i>Excess of Revenues Over (Under) Expenditures</i>	(10,090)	4,374	5,343	969
Other Financing Sources (Uses)				
Advances In	10,000	10,000	10,000	0
Transfers Out	0	(15,052)	(15,052)	0
<i>Total Other Financing Sources (Uses)</i>	10,000	(5,052)	(5,052)	0
<i>Net Change in Fund Balance</i>	(90)	(678)	291	969
<i>Fund Balance Beginning of Year</i>	90	90	90	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$588)	\$381	\$969

Westlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$10,741	\$48,834	\$48,834	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Materials and Supplies	0	1,765	1,683	82
Capital Outlay - New	0	22,213	21,009	1,204
Total Instruction	0	23,978	22,692	1,286
Support Services:				
Pupil:				
Materials and Supplies	4,408	12,408	4,941	7,467
Instructional Staff:				
Salaries and Wages	0	25,375	225	25,150
Fringe Benefits	0	3,805	26	3,779
Purchased Services	0	34,256	6,412	27,844
Total Instructional Staff	0	63,436	6,663	56,773
Administration:				
Purchased Services	0	5,000	807	4,193
Materials and Supplies	0	920	413	507
Total Administration	0	5,920	1,220	4,700
Total Support Services	4,408	81,764	12,824	68,940
<i>Total Expenditures</i>	4,408	105,742	35,516	70,226
<i>Net Change in Fund Balance</i>	6,333	(56,908)	13,318	70,226
<i>Fund Balance Beginning of Year</i>	403	403	403	0
Prior Year Encumbrances Appropriated	4,004	4,004	4,004	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$10,740</u>	<u>(\$52,501)</u>	<u>\$17,725</u>	<u>\$70,226</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$0	\$2,928	\$2,928	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	25,941	26,048	26,048	0
Extracurricular Activities:				
Sports Oriented Activities:				
Capital Outlay - New	13,025	13,025	13,025	0
Capital Outlay:				
Site Improvement Services:				
Purchased Services	530,138	630,619	630,619	0
Capital Outlay - New	337,433	242,153	242,153	0
Total Capital Outlay	867,571	872,772	872,772	0
<i>Total Expenditures</i>	906,537	911,845	911,845	0
<i>Excess of Revenues Under Expenditures</i>	(906,537)	(908,917)	(908,917)	0
Other Financing Sources				
Transfers In	450,000	450,000	450,000	0
<i>Net Change in Fund Balance</i>	(456,537)	(458,917)	(458,917)	0
<i>Fund Balance Beginning of Year</i>	2,844	2,844	2,844	0
Prior Year Encumbrances Appropriated	456,537	456,537	456,537	0
<i>Fund Balance End of Year</i>	<u>\$2,844</u>	<u>\$464</u>	<u>\$464</u>	<u>\$0</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$54,243	\$54,243	\$54,243	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	54,243	54,243	54,243	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	<u>\$3,697,435</u>	<u>\$3,900,000</u>	<u>\$3,958,463</u>	<u>\$58,463</u>
Expenses				
Purchased Services	314,309	333,114	333,114	0
Claims	<u>3,239,573</u>	<u>3,441,400</u>	<u>3,441,400</u>	<u>0</u>
<i>Total Expenses</i>	<u>3,553,882</u>	<u>3,774,514</u>	<u>3,774,514</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	143,553	125,486	183,949	58,463
<i>Fund Equity Beginning of Year</i>	744,309	744,309	744,309	0
Prior Year Encumbrances Appropriated	<u>2,850</u>	<u>2,850</u>	<u>2,850</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$890,712</u></u>	<u><u>\$872,645</u></u>	<u><u>\$931,108</u></u>	<u><u>\$58,463</u></u>

Westlake City School District
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$1,000	\$0	\$437	\$437
Expenses				
Current:				
Instruction:				
Other:				
Purchased Services	1,000	1,000	0	1,000
<i>Net Change in Fund Balance</i>	0	(1,000)	437	1,437
<i>Fund Balance Beginning of Year</i>	26,689	26,689	26,689	0
<i>Fund Balance End of Year</i>	<u>\$26,689</u>	<u>\$25,689</u>	<u>\$27,126</u>	<u>\$1,437</u>

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

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Program Revenues			
Charges for Services and Sales	\$1,759,587	\$1,653,881	\$1,797,390
Operating Grants, Interest and Contributions	1,502,437	1,276,282	1,213,814
Capital Grants and Contributions	0	47,257	243,121
General Revenues			
Taxes	31,338,055	38,126,305	32,131,952
Intergovernmental	7,356,828	6,865,844	6,222,333
Investment Earnings	407,405	370,873	773,708
Miscellaneous	125,189	52,456	1,124
<i>Total</i>	<u>\$42,489,501</u>	<u>\$48,392,898</u>	<u>\$42,383,442</u>
Expenses			
Current:			
Instruction:			
Regular	\$18,909,990	\$18,561,778	\$17,899,511
Special	3,405,179	3,320,191	3,096,309
Vocational	392,114	308,959	985,007
Adult/Continuing	58,192	39,473	28,445
Support Services			
Pupils	2,184,689	2,187,073	2,052,453
Instructional Staff	1,977,693	1,987,734	1,830,028
Board of Education	79,923	27,743	15,090
Administration	2,674,304	2,505,538	2,352,216
Fiscal	936,066	1,072,157	785,636
Business	358,033	402,168	336,837
Operation and Maintenance of Plant	3,358,389	3,185,520	3,496,070
Pupil Transportation	3,456,556	2,766,196	3,046,466
Central	134,189	145,174	91,221
Operation of Non-Instructional Services	1,619,684	1,498,312	1,586,487
Extracurricular Activities	1,192,747	1,382,233	1,134,802
Debt Service	1,773,682	1,687,411	1,778,329
<i>Total</i>	<u>\$42,511,430</u>	<u>\$41,077,660</u>	<u>\$40,514,907</u>

Source: School District Financial Records

Westlake City School District
General Governmental Revenues by Source and Expenditures by Function (1)
Last Ten Fiscal Years

	2003	2002	2001	2000	1999
General Revenues					
Taxes	\$30,876,368	\$37,510,455	\$31,726,503	\$26,644,336	\$28,845,535
Intergovernmental	8,776,049	8,120,314	7,646,141	7,003,162	6,382,395
Interest	407,405	371,759	784,102	689,686	810,284
Tuition and Fees	715,411	628,830	808,238	328,287	273,435
Extracurricular Activities	258,838	253,931	142,395	240,892	239,022
Rentals	50,350	55,842	65,484	87,456	76,975
Charges for Services	734,988	715,278	743,805	20,198	28,019
Contributions and Donations	32,156	66,691	31,639	296,116	50,678
Miscellaneous	125,189	52,456	49,335	119,658	73,652
<i>Total</i>	<u>\$41,976,754</u>	<u>\$47,775,556</u>	<u>\$41,997,642</u>	<u>\$35,429,791</u>	<u>\$36,779,995</u>
Expenses/Expenditures					
Current:					
Instruction:					
Regular	\$18,057,551	\$18,265,000	\$16,551,332	\$15,188,012	\$14,656,987
Special	3,372,679	3,219,762	2,988,533	3,094,834	2,896,480
Vocational	382,559	293,653	986,123	675,150	666,356
Adult/Continuing	58,078	39,473	28,445	34,635	24,722
Support Services					
Pupils	2,071,929	2,067,422	1,956,645	1,781,213	1,683,317
Instructional Staff	1,998,084	1,946,930	1,725,845	1,497,594	1,368,801
Board of Education	32,633	27,743	15,090	14,909	17,398
Administration	2,563,907	2,262,978	2,261,432	2,400,178	2,064,575
Fiscal	914,567	1,063,295	784,050	613,969	805,242
Business	260,981	279,895	662,980	362,224	301,283
Operation and Maintenance of Plant	3,230,539	3,165,275	3,183,416	2,810,122	2,890,879
Pupil Transportation	3,307,033	2,649,378	3,040,499	2,682,571	2,108,723
Central	128,603	135,190	84,832	102,784	105,006
Operation of Non-Instructional Services	756,871	701,145	727,858	400,655	419,219
Extracurricular Activities	1,170,928	1,362,764	1,137,003	1,135,474	1,052,473
Operation of Food Services	796,763	813,300	741,087	N/A	N/A
Intergovernmental	0	0	0	0	0
Capital Outlay	1,788,880	518,067	1,712,087	1,770,882	8,969,779
Debt Service	3,805,778	3,454,997	3,401,128	3,257,634	3,142,116
<i>Total</i>	<u>\$44,698,363</u>	<u>\$42,266,267</u>	<u>\$41,988,385</u>	<u>\$37,822,840</u>	<u>\$43,173,356</u>

Source: School District Financial Records

1998	1997	1996	1995	1994
\$26,967,789	\$24,988,210	\$22,013,092	\$21,318,820	\$19,127,044
5,870,793	5,555,534	5,544,007	4,482,081	3,674,780
1,840,532	1,172,142	202,793	187,024	131,740
290,702	560,992	478,753	368,852	152,155
219,330	165,036	192,361	205,486	0
104,055	52,751	29,826	25,675	4,155
25,896	23,699	16,244	16,533	16,236
42,913	17,268	39,038	13,794	8,843
243,689	213,407	8,865	6,892	23,425
<u>\$35,605,699</u>	<u>\$32,749,039</u>	<u>\$28,524,979</u>	<u>\$26,625,157</u>	<u>\$23,138,378</u>
\$14,265,601	\$13,686,849	\$13,478,484	\$12,602,190	\$12,501,390
2,341,403	1,951,485	1,962,593	2,069,250	1,744,352
596,283	698,736	508,791	344,792	292,527
22,481	18,267	16,614	23,166	0
1,472,696	1,361,314	1,292,277	1,143,222	1,068,575
1,474,157	1,724,691	1,462,585	1,376,642	1,139,282
19,872	14,010	20,416	10,619	14,374
1,969,681	1,768,986	1,719,492	1,507,430	1,701,087
700,679	662,472	624,936	595,478	429,089
290,009	315,293	268,166	246,102	274,283
2,798,599	2,814,017	2,581,797	2,538,904	2,692,007
2,079,761	2,327,391	1,787,887	1,605,365	1,639,300
57,543	39,082	41,051	36,962	43,594
367,160	328,377	310,553	0	1,014
1,073,022	1,061,086	978,195	908,869	445,001
N/A	N/A	N/A	N/A	N/A
7,250,000	0	0	0	0
14,888,368	2,833,150	274,108	47,103	120,357
3,083,384	976,831	516,023	515,530	27,655
<u>\$54,750,699</u>	<u>\$32,582,037</u>	<u>\$27,843,968</u>	<u>\$25,571,624</u>	<u>\$24,133,887</u>

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

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection
2002	\$38,158,204	\$2,854,274	\$41,012,478	\$35,859,530
2001	37,912,913	1,892,060	39,804,973	35,401,042
2000	32,458,538	889,270	33,347,808	31,019,381
1999	31,265,984	1,225,249	32,491,233	29,927,991
1998	30,350,117	1,415,407	31,765,524	29,635,427
1997	29,222,512	1,299,228	30,521,740	28,732,644
1996	26,713,386	786,524	27,499,910	26,054,909
1995	23,524,540	889,663	24,414,203	23,215,155
1994	22,410,483	921,142	23,331,625	22,034,810
1993	21,949,020	1,307,945	23,256,965	21,459,988

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2003 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
94.0%	\$1,685,033	\$37,544,563	98.4%
93.4	1,219,689	36,620,731	96.6
95.6	628,880	31,648,261	97.5
95.7	709,894	30,637,885	98.0
97.6	746,844	30,382,271	100.1
98.3	534,241	29,266,885	100.2
97.5	463,584	26,518,493	99.3
98.7	454,310	23,669,465	100.6
98.3	405,719	22,440,529	100.1
97.8	862,667	22,322,655	101.7

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2003	\$1,092,555,030	\$3,121,585,800	\$22,213,040	\$25,242,091
2002	1,072,485,940	3,064,245,543	23,522,370	26,729,966
2001	1,028,659,760	2,939,027,886	30,491,100	34,648,977
2000	893,396,390	2,552,561,114	30,889,430	35,101,625
1999	852,394,210	2,435,412,029	33,579,300	38,158,295
1998	829,261,960	2,369,318,457	34,326,270	39,007,125
1997	761,751,550	2,176,433,000	35,417,680	40,247,364
1996	738,781,830	2,110,805,229	35,226,690	40,030,330
1995	704,416,260	2,012,617,886	36,652,930	41,651,057
1994	630,571,180	1,801,631,943	35,396,530	40,223,330

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

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at 88 percent of actual value.
 Capital assets for tangible personal property is assessed at 25 percent of actual value.
 Inventory for tangible personal property is assessed at 24 percent of actual value.

Tangible Personal Property		Total	
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
\$74,078,302	\$322,079,574	\$1,188,846,372	\$3,468,907,465
77,021,986	308,087,944	1,173,030,296	3,399,063,453
74,494,491	297,973,008	1,133,645,351	3,271,649,871
69,493,252	277,973,008	993,779,072	2,865,635,747
63,939,231	255,756,924	949,912,741	2,729,327,248
64,750,544	259,002,176	928,338,774	2,667,327,758
65,660,169	262,640,676	862,829,399	2,479,321,040
57,920,927	231,683,708	831,929,447	2,382,519,267
56,067,638	224,270,552	797,136,828	2,278,539,495
57,067,959	228,271,836	723,035,669	2,070,127,109

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

Year	School Levy	Library	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy			
						School	County	City	Total
2003	\$61.20	\$2.00	\$16.20	\$10.30	\$89.70	\$3.70	\$0.91	\$1.30	\$5.91
2002	62.60	2.00	16.20	10.30	91.10	3.10	0.86	1.30	5.26
2001	60.70	2.00	16.20	10.30	89.20	3.20	0.27	1.30	4.77
2000	63.10	2.00	15.30	10.50	90.90	3.60	0.27	1.62	5.49
1999	61.10	2.00	15.30	10.50	88.90	3.60	0.72	1.62	5.94
1998	61.00	2.00	16.60	10.20	89.80	3.50	0.60	1.32	5.42
1997	60.70	2.00	16.60	10.80	90.10	3.20	0.90	2.06	6.16
1996	58.30	2.00	16.60	10.90	87.80	0.80	0.87	2.22	3.89
1995	55.90	2.00	16.80	11.00	85.70	1.30	0.76	2.35	4.41
1994	55.90	2.00	16.80	11.20	85.90	1.30	0.68	2.45	4.43

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2003	\$33,549,610	\$1,188,846,372	31,719	3.06%	\$1,057.71
2002	26,841,475	1,173,030,296	31,719	2.29	846.23
2001	29,087,636	1,133,645,351	31,719	2.57	917.04
2000	31,065,456	993,779,072	27,018	3.13	1,149.81
1999	32,592,830	949,912,741	27,018	3.43	1,206.34
1998	34,270,064	928,338,774	27,018	3.69	1,268.42
1997	27,553,761	862,829,399	27,018	3.19	1,019.83
1996	1,953,504	831,929,447	27,018	0.23	72.30
1995	2,138,510	797,136,828	27,018	0.27	79.15
1994	2,522,078	723,035,669	27,018	0.35	93.35

Source:

(1) School District Financial Records

(2) Cuyahoga County Auditor

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

Westlake City School District
Computation of Legal Debt Margin
June 30, 2003

Assessed Valuation	<u>\$1,188,846,372</u>
Debt Limit - 9% of Assessed Value (1)	\$106,996,173
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	36,365,000
Less: Amount Available in Debt Service Fund	<u>(2,815,390)</u>
Amount of Debt Subject to the Limit	<u>33,549,610</u>
Overall Debt Margin	<u>\$73,446,563</u>
Debt Limit - .10% of Assessed Value (1)	\$1,188,846
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$1,188,846</u>

Source: Cuyahoga County Auditor and School District Financial Records

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

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

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Westlake City School District	<u>\$36,365,000</u>	<u>100.00%</u>	<u>\$36,365,000</u>
Overlapping:			
Cuyahoga County	200,162,636	4.17	8,346,782
Regional Transit Authority	136,310,000	4.17	5,684,127
Westlake City	<u>28,921,197</u>	100.00	<u>28,921,197</u>
Total Overlapping	<u>365,393,833</u>		<u>42,952,106</u>
Total	<u><u>\$401,758,833</u></u>		<u><u>\$79,317,106</u></u>

Source: Cuyahoga County Auditor

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2003	\$1,835,000	\$1,672,185	\$3,507,185	\$36,103,310	9.71%
2002	1,685,000	1,669,923	3,354,923	42,266,267	7.94
2001	1,545,000	1,754,290	3,299,290	41,988,385	7.86
2000	1,420,000	1,826,424	3,246,424	37,822,840	8.58
1999	1,240,000	1,890,841	3,130,841	43,173,356	7.25
1998	1,050,000	1,790,341	2,840,341	54,750,699	5.19
1997	280,000	230,314	510,314	32,582,037	1.57
1996	280,000	196,687	476,687	27,843,968	1.71
1995	280,000	218,071	498,071	25,571,624	1.95
1994	280,000	234,085	514,085	24,133,887	2.13

Source: School District Financial Records

Westlake City School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Cuyahoga County Population (1)</u>	<u>Westlake City Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2003	1,380,421	31,719	3,880	6.7%
2002	1,393,978	31,719	3,743	4.6
2001	1,380,421	31,719	3,754	4.5
2000	1,386,096	27,018	3,751	4.5
1999	1,386,096	27,018	3,670	4.6
1998	1,397,694	27,018	3,643	4.4
1997	1,398,169	27,018	3,751	5.8
1996	1,403,217	27,018	3,745	5.2
1995	1,403,239	27,018	3,763	4.8
1994	1,414,141	27,018	3,772	5.8

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

(2) School District Financial Records

(3) Represents Cuyahoga County

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

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits (000's) Banks	Value of Residential Building Permits Issued	Value of Commercial Building Permits Issued
2002	\$1,072,485,940	\$95,761,917	\$44,684,226	\$42,101,533
2001	1,028,659,760	88,346,368	52,105,345	41,894,175
2000	893,396,390	61,942,764	52,991,580	30,588,215
1999	852,394,210	57,021,360	80,928,725	31,395,240
1998	829,261,960	56,770,353	62,927,295	121,084,840
1997	761,751,550	53,941,971	37,638,725	42,835,925
1996	738,781,830	27,068,211	43,690,510	12,431,385
1995	704,416,260	22,458,573	38,704,215	17,720,195
1994	630,571,180	20,885,453	37,057,210	10,934,095
1993	608,671,160	21,009,421	40,236,882	18,731,377

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

(1) Represents assessed value.

Westlake City School District

Principal Taxpayers

Real Estate Tax

December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
K-Mart Corporation	\$10,737,400	1.00%
Westlake Center Association Ltd.	8,853,880	0.83
University Hospitals	8,246,850	0.77
Cleveland Retirement	6,037,500	0.56
King James Point, LLC	5,962,400	0.56
J G Westlake Hotel	5,887,390	0.55
Remington-OP&F, Inc.	5,713,120	0.53
Kopf-Newton Venture I	5,505,500	0.51
Sturbridge Square Apartments	5,195,750	0.48
WXZ Arbors, LLC	<u>5,190,470</u>	<u>0.48</u>
Total	<u><u>\$67,330,260</u></u>	<u><u>9.56%</u></u>

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2002 collection year.

Westlake City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2002

Name of Taxpayer	Assessed Value (1)	Percent of Real Property Assessed Value
USG Interiors Inc	\$7,862,790	10.21%
Eveready Battery Company	3,738,630	4.85
Truserv Corporation	2,689,350	3.49
Bonnie Bell	2,632,950	3.42
Aluminum Line Products	2,391,920	3.11
Nordson Corp.	2,077,850	2.70
Uniroyal Chemical Co Inc	1,820,580	2.36
EDS Information Services LLC	1,796,410	2.33
John M Lance Ford Inc	1,790,410	2.32
Pines Manufacturing Inc	1,738,950	2.26
Total	\$28,539,840	37.05%

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2002 collection year.

Westlake City School District

Principal Taxpayers

Public Utilities Tax

December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utilities Assessed Value</u>
Cleveland Electric Illuminating Company	\$11,605,230	49.34%
Ohio Bell Telephone Company	6,108,670	25.97
Columbia Gas of Ohio, Incorporated	<u>1,896,350</u>	<u>8.06</u>
Total	<u>\$19,610,250</u>	<u>83.37%</u>

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2002 collection year.

Westlake City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2003	\$36,103,310	3,880	\$9,305
2002	37,201,906	3,743	9,939
2001	34,070,826	3,754	9,076
2000	31,289,762	3,751	8,342
1999	29,686,458	3,670	8,089
1998	28,160,691	3,643	7,730
1997	27,376,821	3,751	7,299
1996	26,185,377	3,745	6,992
1995	24,035,571	3,763	6,387
1994	24,133,887	3,772	6,398

Source: School District Financial Records.

Westlake City School District
Teacher Education and Experience
 June 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	12	4.51%
Bachelor + 10	9	3.38
Bachelor + 20	7	2.63
Bachelor + 30	48	18.05
Master's Degree	69	25.94
Master's + 10	33	12.41
Master's + 20	34	12.78
Master's + 30	<u>54</u>	<u>20.30</u>
Total	<u><u>266</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	42	15.79%
6 - 10	56	21.05
11 and Over	<u>168</u>	<u>63.16</u>
	<u><u>266</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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**Auditor of State
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WESTLAKE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 20, 2004**