



**Auditor of State
Betty Montgomery**

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
Program Title						
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Child Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$17,847	\$0	\$17,847
National School Lunch Program	LLP4-2004	10.555	20,166	0	20,166	0
National School Lunch Program	LLP4-2005	10.555	59,286	0	59,286	0
Subtotal National School Lunch Program			<u>79,452</u>	<u>0</u>	<u>79,452</u>	<u>0</u>
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>79,452</u>	<u>17,847</u>	<u>79,452</u>	<u>17,847</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Adult Basic and Literacy Education	ABS1-2004	84.002	0	0	27,469	0
Adult Basic and Literacy Education	ABS1-2005	84.002	46,920	0	49,121	0
Adult Basic and Literacy Education	ABS2-2005	84.002	12,733	0	12,733	0
Subtotal			<u>59,653</u>	<u>0</u>	<u>89,323</u>	<u>0</u>
Special Education Cluster:						
IDEA Part B (Title VI-B)	6BSF-2004	84.027	(10,862)	0	91,272	0
IDEA Part B (Title VI-B)	6BSF-2005	84.027	655,420	0	586,174	0
Subtotal IDEA Part B (Title VI-B)			<u>644,558</u>	<u>0</u>	<u>677,446</u>	<u>0</u>
Special Access Grant	6BSD-2005	84.027	11,250	0	11,248	0
Collaboration and Decision Making	6BEC-2005	84.027	0	0	1,310	0
Preschool Disability Grant	PGS1-2004	84.173	1,162	0	2,678	0
Preschool Disability Grant	PGS1-2005	84.173	20,465	0	18,911	0
Subtotal Preschool Disability Grant			<u>21,627</u>	<u>0</u>	<u>21,589</u>	<u>0</u>
Total Special Education Cluster			<u>677,435</u>	<u>0</u>	<u>711,593</u>	<u>0</u>
Drug Free School Grant	DRS1-2005	84.186	9,541	0	9,541	0
Title V - Innovative Programs	C2S1-2001	84.298	(93)	0	2,345	0
Title V - Innovative Programs	C2S1-2004	84.298	(310)	0	2,317	0
Title V - Innovative Programs	C2S1-2005	84.298	19,331	0	18,997	0
Total Title V - Innovative Programs			<u>18,928</u>	<u>0</u>	<u>23,659</u>	<u>0</u>
Advanced Placement Program	AVTF-2005	84.330	312	0	0	0
State Improvement Grant	STS1-2003	84.323	0	0	4,877	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2004	84.367	(934)	0	16,523	0
Title II, Part A - Teacher and Principal Training and Recruiting	TRS1-2005	84.367	75,728	0	70,143	0
			<u>74,794</u>	<u>0</u>	<u>86,666</u>	<u>0</u>
Total U.S. Department of Education			<u>840,663</u>	<u>0</u>	<u>925,659</u>	<u>0</u>
Total			<u>\$920,115</u>	<u>\$17,847</u>	<u>\$1,005,111</u>	<u>\$17,847</u>

The accompanying notes are an integral part of this schedule.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2005**

NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (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, 2005, 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.

NOTE D – NEGATIVE RECEIPTS

The District transferred \$10,862 from grant year 2004 to grant year 2005 in the IDEA Part B (Title VI-B), \$310 from grant year 2004 to 2005 in the Title V – Innovative Programs Grant. The District returned receipts of \$93 from the Title V – Innovative Programs to the Ohio Department of Education because all of the grant funds had not been expended within the allowable time period.

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.



Auditor of State Betty Montgomery

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2005, which was qualified since certain information related to Internal Service Fund expenses (disbursements) and liabilities reported with governmental activities and with remaining fund information was not available for audit. Except for this matter, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2005-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable condition 2005-001 listed above to be a material weakness. In a separate letter to the District's management dated December 23, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-002. In a separate letter to the District's management dated December 23, 2005, we reported other matter related to noncompliance we deemed immaterial.

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



Betty Montgomery
Auditor of State

December 23, 2005



Auditor of State Betty Montgomery

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

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

To the Board of Education:

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 apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2005, and have issued our report thereon dated December 23, 2005, which was qualified since the service organization which processes insurance claims did not provide us with information we requested regarding the design or proper operation of its internal controls. We were therefore unable to satisfy ourselves as to the proper processing of health insurance claims expenses and liabilities. Those claims represent 13% of the expenses and 2% of the accrued liabilities reported with the governmental activities, and 40% of the expenses and 60% of the liabilities reported in the remaining fund information. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 23, 2005

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Qualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(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 noncompliance 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: IDEA Part B (Title VI-B)/84.027, Special Access Grant/84.027, Collaboration and Decision Making/84.027, Preschool Disability Grant/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**

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

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

Finding Number	2005- 001
-----------------------	------------------

Internal Service Fund - SAS 70 Type Two Audit

The District has delegated employees' health insurance claims processing, which is a significant accounting function, to a third-party administrator. The District has not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reduce the risk that health insurance claims have not been completely and accurately processed in accordance with the health insurance contract.

Consequently, the District has received a qualified independent accountants' report because the scope of the auditor's examination has been restricted. AU 324 requires the Auditor of State (AOS) to gain an understanding of internal control at any service organization that processes financially significant (i.e., material) transactions of the District, which would then have a material affect of the District's financial statements. Under the circumstances stated, AOS can not accumulate sufficient evidence to conclude whether the Internal Service Fund, administered by the third-party administrator, is stated in accordance with generally accepted accounting principles. Whenever a condition such as this exists, which requires a departure from an unqualified opinion, a report other than an unqualified report must be issued.

Statement on Auditing Standards (SAS) No. 70, as amended, prescribes standards for reporting on service organizations. An unqualified Type Two Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness in accordance with SAS No. 70 should provide the District with reasonable assurance that health insurance claim transactions conform to the contract.

We recommend the District require a Type Two SAS 70 report in its contract with the third-party administrator. The District should review the SAS 70 report timely. The report should follow American Institute of Certified Public Accountants standards and be performed by a firm registered and considered in good standing with the Accountancy Board of the respective state. If the third-party administrator refuses to furnish the District with a Type Two SAS 70 report, we recommend the District contract with a third-party administrator that will provide such a report.

Finding Number	2005- 002
-----------------------	------------------

Expenditures Plus Encumbrances Exceeding Appropriations

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from making an expenditure unless it has been properly appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by the District may not exceed appropriations at the legal level of control for all funds. The District's legal level of control is the object level. The following funds had final expenditures plus encumbrances exceeding authorized appropriations at the legal level of control during the year and at year end:

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

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

Finding Number	2005- 002
-----------------------	------------------

Expenditures Plus Encumbrances Exceeding Appropriations (Continued)

<u>Fund/Function/Object</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Variance</u>
At January 31, 2005			
<i>General Fund</i>			
Support Services			
Administration			
Other	65,575	104,253	(38,678)
<i>Special Revenue Funds</i>			
Food Service Fund			
Operation of Non-Instructional Services			
Food Service			
Purchased Services	250	1,600	(1,350)
Food Service Catering			
Supplies	2,417	8,363	(5,946)
Rotary - Special Service Fund			
Refund of Prior Year Receipts			
Project Link			
Refund of Prior Year Receipts	800	870	(70)
Support Funds			
School & Public Service C0-Curricular Activities			
Public School Support - Bassett			
Capital Outlay	300	772	(472)
In-Service Support - Dover			
Capital Outlay	0	230	(230)
In-Service Support - Hilliard			
Supplies and Materials	6,900	8,473	(1,573)
Library - Dover			
Capital Outlay	1,200	1,257	(57)
In-Service Support - Holly Lane			
Supplies and Materials	2,550	3,696	(1,146)
Library EGT - Lee Burneson			
Capital Outlay	0	656	(656)
Public School Support - Lee Burneson			
Capital Outlay	0	450	(450)
Public School Support - Parkside			
Capital Outlay	1,500	2,290	(790)
Public School Support - WHS			
Capital Outlay	2,000	2,451	(451)

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005
(Continued)**

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

Finding Number	2005- 002
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Expenditures Plus Encumbrances Exceeding Appropriations (Continued)

<u>Fund/Function/Object</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Variance</u>
At January 31, 2005			
<i>Special Revenue Funds</i>			
Support Funds			
School & Public Service C0-Curricular Activities			
Music Programs - Hilliard			
Supplies and Materials	300	600	(300)
Music Programs - Holly Lane			
Supplies and Materials	520	2,035	(1,515)
Public School Support -			
Capital Outlay	0	150	(150)
Athletic Funds			
Sport Oriented Activities			
Vending Machines			
Capital Outlay	0	7,002	(7,002)
 <i>Debt Service Fund</i>			
Debt Service			
Bank Charges			
Dues and Fees	0	339	(339)
 <i>Trust and Agency Funds</i>			
Student Activities			
Academic Oriented Activities			
Student Managed Act Academic/Subject Oriented			
Capital Outlay	0	4,300	(4,300)
Art Gallery - WHS			
Other	250	4,770	(4,520)
Student Managed Act Academic/Subject Oriented			
Other	200	242	(42)
Choir			
Other	54,700	72,395	(17,695)
School & Public Service C0-Curricular Activities			
Project Support - WHS			
Other	200	259	(59)
Key Club - WHS			
Other	1,070	1,507	(437)
Techmates Club - WHS			
Other	250	475	(225)

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

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

Finding Number	2005- 002
-----------------------	------------------

Expenditures Plus Encumbrances Exceeding Appropriations (Continued)

<u>Fund/Function/Object</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Variance</u>
At January 31, 2005			
<i>Trust and Agency Funds</i>			
School & Public Service C0-Curricular Activities			
Student Managed Act Yearbook Equipment			
Capital Outlay	5,000	5,204	(204)
Leadership Challenge - WHS			
Other	10,650	11,306	(656)
 At June 30, 2005			
Athletic Funds			
Sports Oriented Activities			
Vending Machines			
Supplies and Materials	1,496	10,595	(9,099)

We recommend the District verify that all expenditures and encumbrances have proper appropriation authority prior to expending funds or certifying encumbrances and compare appropriations to expenditures plus encumbrances in all funds which are legally to be budgeted, at the legal level of control, to maintain compliance with the above requirement.

3. FINDINGS FOR FEDERAL AWARDS

None.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2005**

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

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2004-001	Ohio Rev. Code Section 5705.39 – Appropriations in Excess of Estimated Resources	No	Reissued as management letter comment.
2004-002	Ohio Rev. Code Section 5705.41 (B) & (D) - Expenditures plus encumbrances in excess of appropriations	No	Reissued as Finding 2005-002.

Westlake City School District
Westlake, Ohio

Comprehensive
Annual Financial Report

For the Fiscal Year Ended June 30, 2005

Westlake City School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2005
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**WESTLAKE
CITY SCHOOLS**

December 23, 2005

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, 2005. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the 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 Center
(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 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.

Organizational Structure

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

The Westlake City School District is one of 612 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District provides education to 3,994 students in grades kindergarten through twelfth and projects enrollment for fiscal year 2006 of 4,062 students. The School District provides general education, special education and vocational type academic programs.

The Westlake City School District

The Westlake City School District (formerly known as the Dover School District) was originally organized in 1898. Later in 1913, the school burned and a new school building was constructed to educate students. Over the years, the School District has grown in size and now supports seven buildings: high school, middle school, intermediate school and four elementary buildings. The schools range in age from 35 to 57 years old. In addition, the School District owns and operates an administrative and transportation facility to accommodate the oversight needs within the School District.

Economic Condition and Outlook:

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

While primarily developed as a residential suburb the City contains a significant number of corporate facilities, office parks, hotels, wholesale distribution facilities and other industrial and commercial developments. Seventy-five percent of the residentially zoned land has been developed and there is still some commercial and industrial zoned land that remains undeveloped.

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

In addition to new commercial/industrial development Westlake approved plans for several additional upscale subdivisions throughout the City. Strong housing values continue to provide evidence of this upscale community. Recent new home sales range from \$600,000-\$800,000 with some topping \$1,000,000.

The city contains the newest full service hospital in the region, St. John Westshore Hospital, which is affiliated with the University Hospital Health System. Westlake has clinic and outpatient facilities for every major health care provider in the Cleveland area, including the renowned Cleveland Clinic.

School District enrollment has remained relatively flat over the last several years and is projected to slightly increase in the foreseeable future. The 2004-2005 October student enrollment reported to the Ohio Department of Education was 3,994.

Major Initiatives

The Westlake City School District continued its major focus on student achievement during the 2004-2005 school year. The School District received, for the sixth consecutive year, the State's highest school district rating, "excellent". Westlake is one of 23 Ohio school districts to achieve the State's highest rating in each of the six years since the program has been established. In addition, student achievement, as measured by college admissions tests, continues to be very strong. Students taking both the SAT and ACT tests have scored above both the State and the National averages.

Curriculum planning and implementation, technology initiatives and continuous improvement planning strategies as well as the completion of construction of the district Performing Arts Center marked the 2004-2005 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.

The curriculum focus for the past year was on developing pacing guides and assessments in the language arts and mathematics areas in grades K-6 and in developing common assessments for course in grades 7-10 that prepare students for the Ohio Graduation test taken in grade 10. The Westlake City School District is committed to a Standards-Based Education System with explicit learning outcomes communicated to the learners, implemented with a research-based instructional design and ongoing, focused formative and summative assessments. The district is working toward supporting this program by a pyramid of strategies to intervene with students who are having difficulty learning. Work continues in each building to develop and in the district a professional learning community that promotes collaboration and collective responsibility for all students. This program is supported with job embedded professional learning. The ultimate goal is high levels of learning for all students.

The implementation of the standards based program was extended by the implementation of a standards based report card in grades K-6. This revised report card enabled teachers to share with parents how each student was progressing in regard to the critical standards in each academic content area. The report card was implanted in an electronic format that facilitated record keeping and communication.

The performing Arts Center construction was completed in March of 2005 and the Center opened with a grand opening weekend featuring both student performance groups and the Cleveland Pops Orchestra. The center includes an 825-seat auditorium, rehearsal room, dressing rooms, scene construction workshop and TV studio. State-of-the-art rigging, sound and lighting systems support this facility. The facility is being integrated into the instructional program.

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

The School District continues to use technology to communicate with the community and parents. The School District maintains an ever-expanding web site that includes a great deal of School District information, downloadable forms and links to a number of educational resources. The school district's courses of study are available for student and parent review. In addition the school district policy manual is accessible via the web site. All staff members have e-mail and voice mail accounts.

The School District continued to monitor its safety plan and made significant safety related enhancements. The safety plan was revised and reissued. The security cameras were upgraded at the middle school and Intermediate school. These cameras are linked to the Westlake Police department to tie these camera as well as those at the high school into the police department surveillance system. Automated external defibrillators were installed in all buildings and staff members trained in their use.

Emphasis in the special needs area continued on integrating the state grade level standards for regular education students into the Individual Education Plans (IEP) of special needs students. Providing special needs student's access to the regular education curriculum is one of the essential elements of the federal IDEA legislation.

Another major focus was on improving basic literacy skills for both regular education and special needs students. A considerable amount of time was spent developing the K-1 instructional staffs' knowledge of phonemic awareness and phonics programs. In addition, more time was spent providing staff development regarding a research based assessment program called Dynamic Indicators of Basic Literacy Skills (DIBELS). When used in tandem, district Reading Intervention Specialists are better able to diagnose early reading difficulty, provide instructional interventions based on practices as outlined by the National Reading Panel and monitor the progress of those interventions using DIBELS. An assessment schedule was developed that entails measuring the progress of students in reading intervention on at least a monthly basis. This data is then entered into a web-based data collection system that prints out individual and class progress reports. Teachers use this information to make timely interventions that increase student achievement.

The School District's 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 plan received a major revision at the conclusion of the 2003-04 school year and was reviewed again at the conclusion of the 2004-05 school year. The updated CIP serves as a guide to educators, students and their families, business and community members about the process of achieving and measuring improvements in the School District's performance. It addresses changes in the School District, educational events and State mandates since 1999, including the "No Child Left Behind" legislation signed by President Bush. The CIP emphasizes teamwork, commitment to excellence and a celebration of learning, which is reflected in the School District vision and mission statements.

Because of the School District's limited financial resources, permanent improvement projects for the past year were limited. It is anticipated that when an operating levy is approved by the community, that the permanent improvement schedule can be resumed.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

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

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

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

Each administrator and school principal is furnished with monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on-line inquiry system is available at each cost center site.

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

Financial Condition

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion follows the Report of Independent Accountants, providing an assessment of the School District's finances for fiscal year 2005 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, dental and vision benefits to the School District employees. The internal service fund had net assets of (\$343,201) at June 30, 2005, compared with net assets of \$274,874 at June 30, 2004, reflecting a net decrease in net assets of \$618,075.

Financial Highlights - Fiduciary Fund

The trust fund carried on the financial records of the School District is a college scholarship private purpose trust fund that has net assets totaling \$27,980 as of June 30, 2005.

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 \$397,565 for the fiscal year ended June 30, 2005, \$324,615 being credited directly to the general fund.

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

Risk Management

The School District provides employee medical, surgical, prescription drug, dental and vision benefits for all eligible employees of the district. A self-insurance internal service fund is maintained to account for and finance this program. In February 2004, the School District opted to participate in a cooperative health insurance arrangement with four other local school districts. This cooperative was formed in order for school districts to achieve additional purchasing power in buying insurance services. Bridge Benefits administered the plan and reviewed all claims. Stop-loss coverage was provided by American National Insurance Company and the pharmacy benefit manager for the plan was Express Scripts. In addition, the School District contracted with Quantum LLC to provide a comprehensive utilization review program.

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

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2004, the School District contracted through the Ohio Schools Council with various insurance carriers for specific coverage types.

The School District contracts with Indiana Insurance and Travelers Insurance to provide property and general liability insurance, as well as boiler and machinery coverage. There is a \$5,000 deductible with a one hundred percent co-insurance for property and a \$1,000 deductible for boiler and machinery coverage. There is no deductible for general liability.

General liability is protected by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate limit including a \$6,000,000 umbrella coverage policy. Employee dishonesty coverage is provided by Ohio Casualty with a \$1,000 deductible. Vehicles are covered by Indiana Insurance Agency and have a \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability excluding the umbrella coverage indicated above.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2005. 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, 2004. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

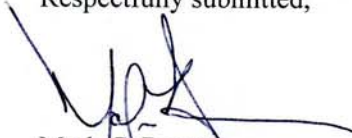
The publication of this report is a significant step toward professionalizing the Westlake City School District's financial reporting. It enhances the School District's accountability to the residents of the Westlake City School District.

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

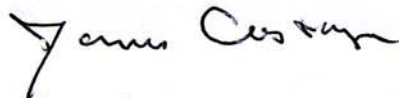
Special appreciation is expressed to the Local Government Services Section of State Auditor Betty Montgomery's office for assistance in planning, designing and reviewing this financial report.

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

Respectfully submitted,



Mark C. Pepera
Chief Financial Officer



James Costanza
Superintendent of Schools

Westlake City School District

Principal Officials

June 30, 2005

Board of Education

Ms. Renee Wargo.....President
Ms. Andrea Rocco Vice-President
Mr. David Beal..... Member
Mr. Joseph O'Malley Member
Mr. Tom Smanik..... Member

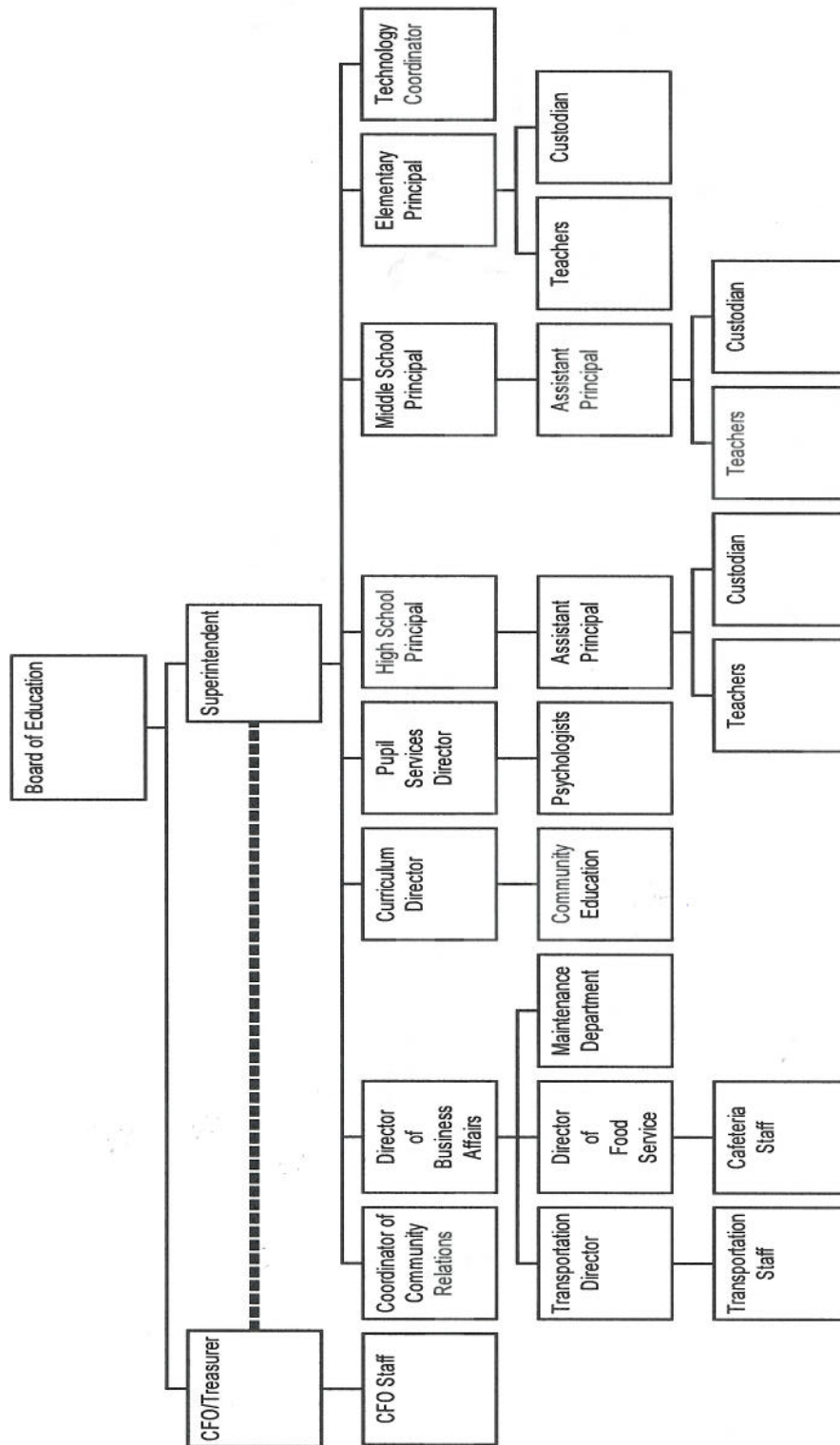
Chief Financial Officer

Mr. Mark C. Pepera

Executive Administration

Dr. James Costanza, Ed.D..... Superintendent
Mr. Gary Slocum Director of Business Affairs

Westlake City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Westlake City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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



Nancy L. Zielle

President

Jeffrey R. Enos

Executive Director



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To The Board of Education:

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, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Insurance claims reported in the Self Insurance Fund (an internal service fund, included in the governmental activities and as remaining fund information) are processed by a service organization independent of the District. The service organization did not provide us with information we requested regarding the design or proper operation of its internal controls. We were therefore unable to satisfy ourselves as to the proper processing of health insurance claims expenses and liabilities. Those claims represent 13% expenses and 2% of accrued liabilities reported with the governmental activities, and 40% of the expenses and 60% of the liabilities reported in the remaining fund information.

In our opinion, except for the effects of such adjustments, if any as might have been necessary had we been able to examine certain information regarding health insurance claims reported with the governmental activities and remaining fund information as described in the preceding paragraph, 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, 2005, and the respective changes in financial position and the cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine of the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Betty Montgomery
Auditor of State

December 23, 2005

Westlake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
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, 2005. 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 2005 are as follows:

- Net Assets for governmental activities decreased by \$1.4 million from fiscal year 2004. Continued spending of cash carryover amounts has been a necessity.
- Program revenues for governmental activities totaled \$3.6 million in fiscal year 2005, which is consistent with the prior fiscal year. General revenues totaled \$42.2 million, a \$1.9 million decrease from the prior fiscal year.
- Program expenses totaled \$47.2 million in fiscal year 2005, as compared to \$46.2 million in fiscal year 2004. Instructional expenses made up 52.8 percent of the fiscal year 2005 total while support services accounted for 37.2 percent. Other expenses such as food service, extracurricular, debt service and non-instructional rounded out the remaining 10.0 percent.
- In the general fund, expenditures exceeded revenues by \$3.6 million during fiscal year 2005. This is due to increased spending and the decrease in property tax revenues reported on a modified accrual basis.
- During fiscal year 2005, the School District completed the construction of the Performing Arts Center.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Westlake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Westlake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

The School District as a Whole

You may recall that the *Statement of Net Assets* provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2005 compared to 2004:

Table 1

Net Assets
Governmental Activities

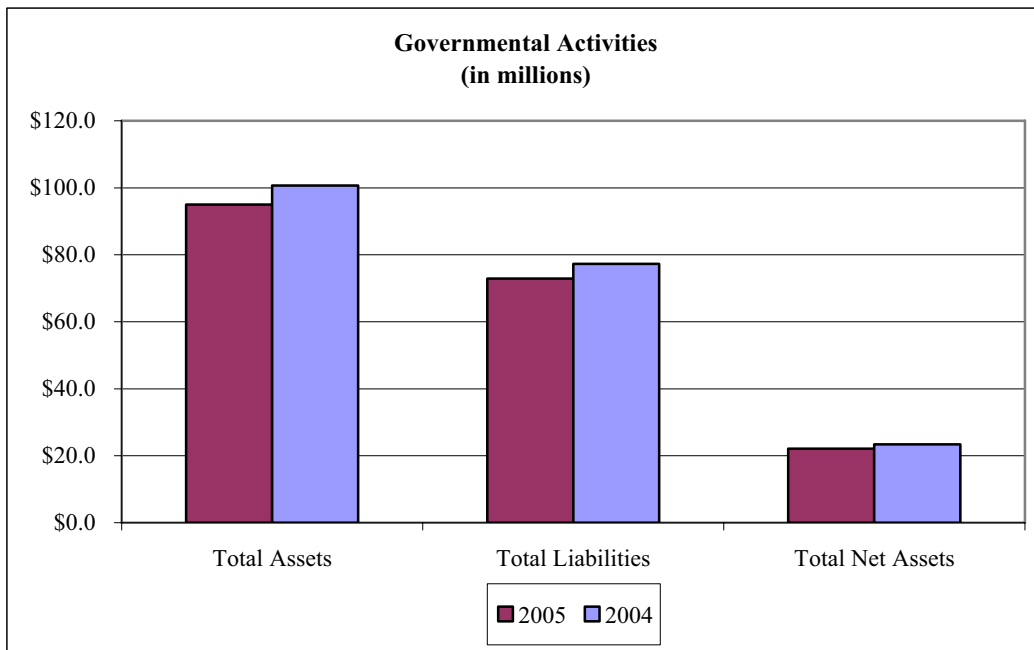
	2005	2004
Assets		
Current and Other Assets	\$47,210,596	\$57,067,742
Capital Assets, Net	47,744,424	43,662,255
<i>Total Assets</i>	94,955,020	100,729,997
Liabilities		
Current and Other Liabilities	37,643,746	39,322,272
Long-Term Liabilities:		
Due Within One Year	3,985,823	4,005,649
Due in More than One Year	31,258,394	33,967,328
<i>Total Liabilities</i>	72,887,963	77,295,249
Net Assets		
Invested in Capital Assets, Net of Debt	23,730,387	23,293,698
Restricted:		
Capital Projects	420,936	0
Debt Service	1,528,174	1,500,313
School Supplies	9,215	44,643
Extracurricular Activities	409,323	352,221
State Grants	27,140	150,680
Federal Grants	156,762	13,124
Donations	0	38,250
Other Purposes	71,814	10,079
Unrestricted (Deficit)	(4,286,694)	(1,968,260)
<i>Total Net Assets</i>	\$22,067,057	\$23,434,748

Graph 1 (See page 6)

Net Assets Governmental Activities
(millions)

	2005	2004
Total Assets	\$95.0	\$100.7
Total Liabilities	72.9	77.3
Total Net Assets	\$22.1	\$23.4

Westlake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited



As one can see total assets decreased \$5.8 million from 2004. The School District used approximately \$3.7 million in cash for capital assets during fiscal year 2005. Additionally, as discussed on page 3, property tax receivable in fiscal year 2005 was \$2.2 million less than in fiscal year 2004.

Total liabilities decreased by 4.4 percent or \$5.7 million. The most significant areas of decrease were in the categories of contracts payable and long-term liabilities. The unrestricted net assets for governmental activities declined from (\$1,968,260) in fiscal year 2004 to (\$4,286,694) in fiscal year 2005.

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 decreased slightly from 2004 and indicated the School District is using more of their resources for School District operations. As projected, and as net assets decrease, the School District remains concerned about spending resources of future generations and will consider the need for additional operating resources.

The vast majority of revenue supporting all Governmental Activities is general revenue. General revenue accounted for \$42.2 million or 92.1 percent of the total revenue. The most significant portion of general revenue is local property tax. The \$2.3 million decrease from fiscal year 2004 is due to the decrease in property tax revenues reported on a full accrual basis. The other type of revenue that accounts for 7.9 percent of total revenue is called program revenues. Program revenues are derived directly from the program or entities outside the School District and can help to reduce the net cost of services provided by the School District. Program revenues remained consistent with fiscal year 2004 levels.

Westlake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 2 shows total revenues, expenses and changes in net assets for fiscal year 2005. The decrease in fiscal year 2005 net assets can be mainly attributed to property taxes revenue at June 30, 2005 of \$34.1 million compared to \$36.4 million at June 30, 2004.

Table 2
Governmental Activities

	2005	2004
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,828,264	\$1,843,456
Operating Grants and Contributions	1,754,486	1,740,035
Capital Grants and Contributions	36,225	19,066
<i>Total Program Revenues</i>	<u>3,618,975</u>	<u>3,602,557</u>
General Revenues:		
Property Taxes	34,136,507	36,453,309
Grants and Entitlements	7,522,123	7,315,688
Other	523,292	373,985
<i>Total General Revenues</i>	<u>42,181,922</u>	<u>44,142,982</u>
<i>Total Revenues</i>	<u>45,800,897</u>	<u>47,745,539</u>
Program Expenses		
Instruction		
Regular	20,578,822	20,669,591
Special	3,801,153	3,597,814
Vocational	475,462	469,663
Adult/Continuing	45,809	70,955
Support Services:		
Pupils	2,625,987	2,481,334
Instructional Staff	2,790,065	2,897,289
Board of Education	29,261	2,066
Administration	2,890,037	2,884,080
Fiscal	1,071,904	1,003,922
Business	439,462	245,822
Operation and Maintenance of Plant	3,745,704	3,682,109
Pupil Transportation	3,752,277	3,408,168
Central	187,161	147,463
Operation of Non-Instructional Services	978,734	758,102
Extracurricular Activities	1,359,205	1,386,634
Operation of Food Services	961,507	935,514
Interest and Fiscal Charges	1,436,038	1,561,790
<i>Total Expenses</i>	<u>47,168,588</u>	<u>46,202,316</u>
<i>Increase (Decrease) in Net Assets</i>	(1,367,691)	1,543,223
<i>Net Assets July 1</i>	<u>23,434,748</u>	<u>21,891,525</u>
<i>Net Assets June 30</i>	<u><u>\$22,067,057</u></u>	<u><u>\$23,434,748</u></u>

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Governmental Activities

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

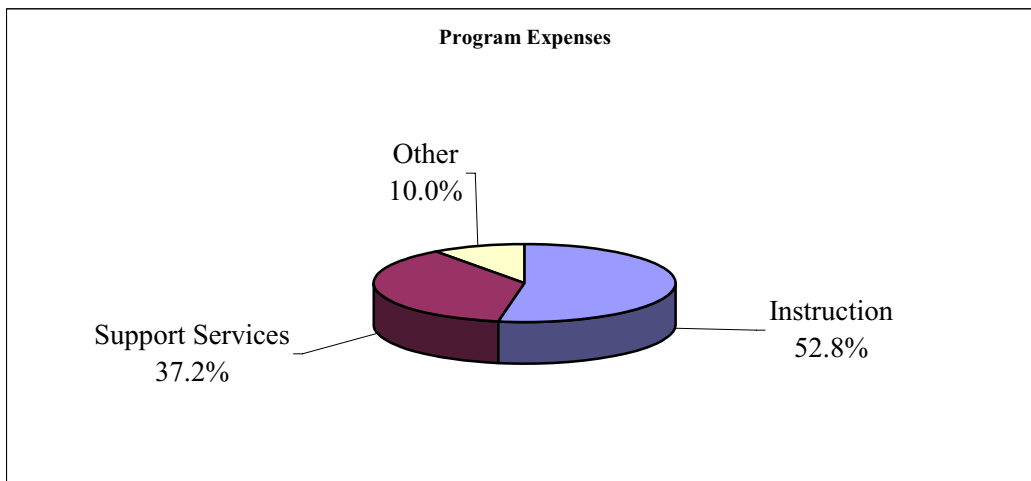
Although the School District relies heavily upon local property taxes to support its operations, the School District continues to actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

As one can see, the School District spent roughly 52.8 percent of its budget to fund instructional expenses as compared to 53.6 percent in fiscal year 2004. Additional support services for pupils, staff and business operations have increased by \$.8 million compared to fiscal year 2004 and encompass 37.3 percent. The remaining 10.0 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

	2005	2004
Instruction	\$24.9	\$24.8
Support Services	17.6	16.8
Other	4.7	4.6
Total	\$47.2	\$46.2



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Table 3

Governmental Activities

	Total Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2005	Net Cost of Services 2004
Instruction:				
Regular	\$20,578,822	\$20,669,591	(\$20,438,340)	(\$20,440,817)
Special	3,801,153	3,597,814	(3,182,967)	(2,847,451)
Vocational	475,462	469,663	(474,089)	(469,663)
Adult/Continuing	45,809	70,955	(1,178)	8,213
Support Services:				
Pupils	2,625,987	2,481,334	(2,560,951)	(2,452,772)
Instructional Staff	2,790,065	2,897,289	(2,559,534)	(2,815,524)
Board of Education	29,261	2,066	(28,392)	(2,066)
Administration	2,890,037	2,884,080	(2,797,012)	(2,884,080)
Fiscal	1,071,904	1,003,922	(1,068,746)	(1,003,922)
Business	439,462	245,822	(438,168)	(314,645)
Operation and Maintenance of Plant	3,745,704	3,682,109	(3,730,994)	(3,627,564)
Pupil Transportation	3,752,277	3,408,168	(3,742,206)	(3,355,951)
Central	187,161	147,463	(153,103)	(112,287)
Operation of Non-Instructional Services	978,734	758,102	(22,902)	51,121
Extracurricular Activities	1,359,205	1,386,634	(131,345)	(766,132)
Operation of Food Services	961,507	935,514	(783,648)	(73,252)
Interest and Fiscal Charges	1,436,038	1,561,790	(1,436,038)	(1,561,790)
<i>Total Expenses</i>	<u>\$47,168,588</u>	<u>\$46,202,316</u>	<u>(\$43,549,613)</u>	<u>(\$42,668,582)</u>

As one can see, the reliance upon local tax revenues for governmental activities is crucial as local property tax accounts for roughly 74.5 percent of the total revenues in 2005. This amount is slightly lower compared to the prior year primarily due to a higher amount of taxes available as an advance as of June 30, 2004 from the County auditor compared to amounts in fiscal year 2005. Property taxes assume the bulk of the general revenues for the School District; grants and entitlements not restricted to specific programs continue to support 17.1 percent of general revenues. The School District has worked diligently on obtaining any available grants to help offset the burden on its operating resources. Investment and other miscellaneous type revenues account for less than 1.2 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
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For the Fiscal Year Ended June 30, 2005
Unaudited

School District's Funds

Information regarding the School District's major funds can be found starting on page 18. The School District's major funds included the general fund and the bond retirement debt service fund. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$45.4 million and expenditures of \$54.4 million. The net change in fund balance for all governmental funds was (\$8.9) million down from (\$2.3) million in fiscal year 2004. This decrease in fund balance was primarily due to spending prior year bond proceeds on school improvements and a decrease in property tax revenues.

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 2005, the School District amended its general fund budget numerous times, none significant. The School District uses a site-based style of budgeting and has in place systems that are designed to tightly control expenditures but provide flexibility for site based decision and management.

For the General fund, the final budget basis revenue estimate totaled \$37.7 million and was below original budget estimates of \$38.5 million. Although budgeted amounts differed slightly, a positive variance existed in comparing actual fiscal year revenues to budgeted revenues. This variance was primarily due to additional unanticipated tax revenues and intergovernmental receipts that were received. The final and original budget basis expenditure estimate totaled \$42.4 million.

The School District's general fund balance totaled \$4.4 million as compared to \$5.9 million in 2004. Although the School District expected its fund balance to decrease this year due to expenditures exceeding revenues, lower than normal encumbrances at year-end sustained the fund balance.

Actual expenditures were consistent with annual budget expectations and the School District even finished the year with an overall positive variance of \$1.7 million. Liquidity is very important in the operation of a school district and measures the ability of an entity to cover its existing obligations in the short term.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2005, the School District had \$47.7 million invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks as compared to \$43.7 million at the end of fiscal year 2004. Table 4 shows fiscal year 2005 values compared to fiscal year 2004.

Table 4
Capital Assets at June 30
Governmental Activities

	<u>2005</u>	<u>2004</u>
Land	\$2,468,751	\$2,468,751
Construction in Progress	0	3,830,296
Land Improvements	73,179	76,040
Buildings and Improvements	41,160,787	33,182,803
Furniture and Equipment	1,499,585	1,625,811
Vehicles	1,899,608	1,962,811
Textbooks	<u>642,514</u>	<u>515,743</u>
<i>Total</i>	<u><u>\$47,744,424</u></u>	<u><u>\$43,662,255</u></u>

As one can see, there was a \$4,082,169 increase in total capital assets during the fiscal year. The increase can be specifically attributed to the completion of the Performing Arts Center, offset by decreases in furniture and equipment and vehicles. For additional information see Note 10 of the notes to the basic financial statements.

Debt

At June 30, 2005 the School District had \$31.7 million in bonds outstanding. Table 5 below summarizes the School District's bonds outstanding.

Westlake City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 5
Bonds Outstanding at June 30

	Governmental Activities	
	2005	2004
1986 Additions to Facilities 7.25%	\$0	\$280,000
1997 School Improvements 5.08%	200,000	300,000
1997 School Improvements 5.51%	4,120,000	5,530,000
1998 Library Improvements 5.51%	5,235,000	5,625,000
2002 School Improvements 5.15%		
Serial Bonds	8,240,000	8,480,000
Unamortized Premium	157,227	164,373
2003 School Improvements Refunding 2-15.3%		
Serial Bonds	12,730,000	13,200,000
Unamortized Premium	244,008	264,342
Capital Appreciation Bonds	725,000	725,000
Accretion on Capital Appreciation Bonds	149,927	31,039
Unamortized Premium	1,694,822	1,836,057
Deferred Loss on Refunding	(1,776,736)	(1,924,797)
Totals	\$31,719,248	\$34,511,014

The 1986 facility improvement bonds were issued to upgrade School District facilities, primarily at Westlake High School and Bassett elementary school. These bonds were paid off during fiscal year 2005.

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

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

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

The School District's overall legal debt margin was \$88,946,507 with an unvoted debt margin of \$1,296,663. In fiscal year 2005, 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 15.

School District Outlook

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.

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Looking at financial ratios, one is able to better gauge the financial health of the School District. Liquidity, or the ability for the School District to meet its short-term obligations is still favorable at 1.20 which means the School District can meet current obligations in having enough assets to cover its liabilities. As expected though, and as a result of decreasing cash, this ratio declined slightly from 2004. Another important financial concept is solvency. The School District's solvency ratio is .21 and indicates the ability of the School District to cover obligations in the short and long term. In addition, the debt ratio for the School District remained relatively stable at .79.

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

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

Externally, the State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward School Districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

Westlake City School District has not projected any meaningful growth in State revenues due to the concern regarding potential legislation that may require the redistribution of commercial and industrial property taxes. With roughly 91 percent of revenues in the form of 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.

Westlake City School District
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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.

Basic Financial Statements

Westlake City School District

Statement of Net Assets

June 30, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,045,183
Cash and Cash Equivalents with Escrow Agent	170,253
Accounts Receivable	14,098
Intergovernmental Receivable	133,860
Inventory Held for Resale	5,188
Materials and Supplies Inventory	2,837
Taxes Receivable	35,577,595
Deferred Charges	261,582
Nondepreciable Capital Assets	2,468,751
Depreciable Capital Assets	<u>45,275,673</u>
<i>Total Assets</i>	<u>94,955,020</u>
Liabilities	
Accounts Payable	349,522
Accrued Wages and Benefits Payable	4,118,963
Retainage Payable	14,832
Intergovernmental Payable	2,601,278
Deferred Revenue	28,984,327
Matured Compensated Absences Payable	72,816
Accrued Interest Payable	104,762
Claims Payable	1,397,246
Long-Term Liabilities:	
Due Within One Year	3,985,823
Due in More Than One Year	<u>31,258,394</u>
<i>Total Liabilities</i>	<u>72,887,963</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	23,730,387
Restricted for:	
Capital Projects	420,936
Debt Service	1,528,174
School Supplies	9,215
State Grants	27,140
Extracurricular Activities	409,323
Federal Grants	156,762
Other Purposes	71,814
Unrestricted (Deficit)	<u>(4,286,694)</u>
<i>Total Net Assets</i>	<u><u>\$22,067,057</u></u>

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Program Revenues			Net Expenses and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities					
Instruction:					
Regular	\$20,578,822	\$118,064	\$41,326	\$36,225	(\$20,383,207)
Special	3,801,153	9,560	553,493	0	(3,238,100)
Vocational	475,462	1,373	0	0	(474,089)
Adult/Continuing	45,809	0	44,631	0	(1,178)
Support Services:					
Pupil	2,625,987	7,373	57,663	0	(2,560,951)
Instructional Staff	2,790,065	7,159	223,372	0	(2,559,534)
Board of Education	29,261	869	0	0	(28,392)
Administration	2,890,037	93,025	0	0	(2,797,012)
Fiscal	1,071,904	3,158	0	0	(1,068,746)
Business	439,462	1,294	0	0	(438,168)
Operation and Maintenance of Plant	3,745,704	10,940	3,770	0	(3,730,994)
Pupil Transportation	3,752,277	10,071	0	0	(3,742,206)
Central	187,161	373	33,685	0	(153,103)
Operation of Non-Instructional Services:					
Food Service Operations	961,507	836,920	101,685	0	(22,902)
Other Non-Instructional Services	978,734	225,021	622,368	0	(131,345)
Extracurricular Activities	1,359,205	503,064	72,493	0	(783,648)
Interest and Fiscal Charges	1,436,038	0	0	0	(1,436,038)
<i>Total Governmental Activities</i>	<u>\$47,168,588</u>	<u>\$1,828,264</u>	<u>\$1,754,486</u>	<u>\$36,225</u>	<u>(43,549,613)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					30,545,074
Debt Service					3,591,433
Grants and Entitlements not Restricted to Specific Programs					7,522,123
Investment Earnings					397,000
Miscellaneous					126,292
<i>Total General Revenues</i>					42,181,922
Change in Net Assets					(1,367,691)
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>					<u>23,434,748</u>
<i>Net Assets End of Year</i>					<u>\$22,067,057</u>

See accompanying notes to the basic financial statements

Westlake City School District

Balance Sheet

Governmental Funds

June 30, 2005

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,840,557	\$2,954,018	\$1,155,921	\$9,950,496
Cash and Cash Equivalents with Escrow Agent	0	0	170,253	170,253
Accounts Receivable	13,018	0	1,080	14,098
Intergovernmental Receivable	1,610	0	132,250	133,860
Inventory Held for Resale	0	0	5,188	5,188
Materials and Supplies Inventory	1,288	0	1,549	2,837
Interfund Receivable	44,523	0	0	44,523
Taxes Receivable	31,845,839	3,731,756	0	35,577,595
<i>Total Assets</i>	<u>\$37,746,835</u>	<u>\$6,685,774</u>	<u>\$1,466,241</u>	<u>\$45,898,850</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$176,934	\$0	\$131,946	\$308,880
Accrued Wages and Benefits Payable	4,012,535	0	106,428	4,118,963
Retainage Payable	0	0	14,832	14,832
Intergovernmental Payable	2,355,937	0	245,341	2,601,278
Interfund Payable	0	0	44,523	44,523
Deferred Revenue	27,662,457	3,188,954	119,019	30,970,430
Matured Compensated Absences Payable	72,816	0	0	72,816
<i>Total Liabilities</i>	<u>34,280,679</u>	<u>3,188,954</u>	<u>662,089</u>	<u>38,131,722</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	1,239,013	0	320,533	1,559,546
Reserved for Property Taxes	4,183,382	542,802	0	4,726,184
Unreserved, Undesignated Reported in:				
General Fund (Deficit)	(1,956,239)	0	0	(1,956,239)
Special Revenue Funds	0	0	301,564	301,564
Debt Service Fund	0	2,954,018	0	2,954,018
Capital Projects Funds	0	0	182,055	182,055
<i>Total Fund Balances</i>	<u>3,466,156</u>	<u>3,496,820</u>	<u>804,152</u>	<u>7,767,128</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$37,746,835</u>	<u>\$6,685,774</u>	<u>\$1,466,241</u>	<u>\$45,898,850</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, 2005*

Total Governmental Funds Balances		\$7,767,128
 <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.		47,744,424
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	1,867,084	
Grants	119,019	
		1,986,103
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		261,582
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(104,762)
The internal service funds are used by management to charge the costs of insurance and goods warehoused and distributed to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		(343,201)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(31,719,248)	
Compensated Absences	(3,487,614)	
Capital Leases	(37,355)	
Total		(35,244,217)
<i>Net Assets of Governmental Activities</i>		\$22,067,057

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, 2005

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$30,336,582	\$3,561,825	\$0	\$33,898,407
Intergovernmental	7,044,684	477,439	1,598,799	9,120,922
Interest	324,615	0	72,385	397,000
Charges for Services	19,062	0	854,299	873,361
Tuition and Fees	55,538	0	547,903	603,441
Rentals	31,839	0	0	31,839
Extracurricular Activities	0	0	319,623	319,623
Contributions and Donations	0	0	72,893	72,893
Miscellaneous	68,698	0	57,594	126,292
<i>Total Revenues</i>	<u>37,881,018</u>	<u>4,039,264</u>	<u>3,523,496</u>	<u>45,443,778</u>
Expenditures				
Current:				
Instruction:				
Regular	19,974,078	0	148,604	20,122,682
Special	3,217,418	0	456,279	3,673,697
Vocational	463,537	0	0	463,537
Adult/Continuing	0	0	45,101	45,101
Support Services:				
Pupil	2,478,459	0	49,915	2,528,374
Instructional Staff	2,568,297	0	229,956	2,798,253
Board of Education	29,945	0	40	29,985
Administration	2,781,189	0	112,449	2,893,638
Fiscal	1,086,677	3,622	0	1,090,299
Business	465,880	0	0	465,880
Operation and Maintenance of Plant	3,977,384	0	3,770	3,981,154
Pupil Transportation	3,557,715	0	0	3,557,715
Central	131,930	0	57,122	189,052
Operation of Non-instructional Services:				
Food Service Operations	0	0	992,600	992,600
Other Non-instructional Services	0	0	1,044,258	1,044,258
Extracurricular Activities	753,304	0	591,112	1,344,416
Capital Outlay	3,336	0	4,935,927	4,939,263
Debt Service:				
Principal Retirement	6,791	2,890,000	0	2,896,791
Interest and Fiscal Charges	4,143	1,327,194	0	1,331,337
<i>Total Expenditures</i>	<u>41,500,083</u>	<u>4,220,816</u>	<u>8,667,133</u>	<u>54,388,032</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,619,065)</u>	<u>(181,552)</u>	<u>(5,143,637)</u>	<u>(8,944,254)</u>
Other Financing Sources (Uses)				
Inception of Lease	17,102	0	0	17,102
Transfers In	0	0	135,000	135,000
Transfers Out	(135,000)	0	0	(135,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(117,898)</u>	<u>0</u>	<u>135,000</u>	<u>17,102</u>
<i>Net Change in Fund Balances</i>	(3,736,963)	(181,552)	(5,008,637)	(8,927,152)
<i>Fund Balances Beginning of Year</i>	<u>7,203,119</u>	<u>3,678,372</u>	<u>5,812,789</u>	<u>16,694,280</u>
<i>Fund Balances End of Year</i>	<u>\$3,466,156</u>	<u>\$3,496,820</u>	<u>\$804,152</u>	<u>\$7,767,128</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, 2005*

Net Change in Fund Balances -Total Governmental Funds (\$8,927,152)

*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	5,775,497	
Current Year Depreciation	<u>(1,693,328)</u>	
Total		4,082,169

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

Delinquent Property Taxes	238,100	
Intergovernmental	<u>119,019</u>	
Total		357,119

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

Accrued Interest	11,090	
Annual Accretion	(118,888)	
Amortization of Premium on Bonds	168,715	
Amortization of Loss on Refunding	(148,061)	
Amortization of Issuance Costs	<u>(17,557)</u>	
Total		(104,701)

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.

2,896,791

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

Compensated Absences	(52,695)	
Pension Obligations	<u>1,015,955</u>	
Total		963,260

Inception of capital lease in the governmental funds increased long-term liabilities in the statement of net assets.

(17,102)

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. The net revenue (expense) of the internal service fund are allocated among the governmental activities.

(618,075)

Change in Net Assets of Governmental Activities

(\$1,367,691)

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$31,021,220	\$30,338,647	\$31,207,841	\$869,194
Intergovernmental	7,002,557	6,848,477	7,044,684	196,207
Interest	323,873	316,746	325,821	9,075
Charges for Services	19,246	18,823	19,362	539
Tuition and Fees	55,206	53,991	55,538	1,547
Rentals	31,649	30,952	31,839	887
Miscellaneous	71,087	69,525	71,516	1,991
<i>Total Revenues</i>	<u>38,524,838</u>	<u>37,677,161</u>	<u>38,756,601</u>	<u>1,079,440</u>
Expenditures				
Current				
Instruction				
Regular	20,944,264	20,749,975	20,499,706	250,269
Special	3,156,620	3,215,274	3,203,231	12,043
Vocational	453,617	460,342	457,409	2,933
Support Services				
Pupils	2,868,088	3,035,091	2,846,610	188,481
Instructional Staff	2,377,594	2,450,468	2,449,225	1,243
Board of Education	28,376	33,287	28,147	5,140
Administration	2,830,904	2,793,347	2,770,537	22,810
Fiscal	1,112,653	1,082,096	1,049,669	32,427
Business	421,075	429,398	416,299	13,099
Operation and Maintenance of Plant	3,896,991	3,743,070	3,714,405	28,665
Pupil Transportation	3,402,888	3,488,329	3,432,916	55,413
Central	112,849	113,457	106,026	7,431
Extracurricular Activities	736,706	745,554	745,554	0
Capital Outlay	38,850	42,800	32,986	9,814
<i>Total Expenditures</i>	<u>42,381,475</u>	<u>42,382,488</u>	<u>41,752,720</u>	<u>629,768</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,856,637)</u>	<u>(4,705,327)</u>	<u>(2,996,119)</u>	<u>1,709,208</u>
Other Financing Sources (Uses)				
Advances In	18,386	17,981	18,496	515
Advances Out	(35,000)	(34,984)	(15,912)	19,072
Transfers Out	(135,000)	(135,000)	(135,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(151,614)</u>	<u>(152,003)</u>	<u>(132,416)</u>	<u>19,587</u>
<i>Net Change in Fund Balance</i>	(4,008,251)	(4,857,330)	(3,128,535)	1,728,795
<i>Fund Balance Beginning of Year</i>	5,872,834	5,872,834	5,872,834	0
Prior Year Encumbrances Appropriated	1,693,129	1,693,129	1,693,129	0
<i>Fund Balance End of Year</i>	<u>\$3,557,712</u>	<u>\$2,708,633</u>	<u>\$4,437,428</u>	<u>\$1,728,795</u>

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2005

Assets

Equity in Pooled Cash and Cash Equivalents	\$1,094,687
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Liabilities

Accounts Payable	40,642
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Claims Payable	<u>1,397,246</u>
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<i>Total Liabilities</i>	<u>1,437,888</u>
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Net Assets

Unrestricted (Deficit)	<u><u>(\$343,201)</u></u>
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See accompanying notes to the basic financial statements

Westlake City School District
Statement of Revenues
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2005

Operating Revenues	
Charges for Services	<u>\$5,769,956</u>
Operating Expenses	
Purchased Services	361,698
Claims	<u>6,026,333</u>
<i>Total Operating Expenses</i>	<u>6,388,031</u>
<i>Operating Loss</i>	(618,075)
<i>Net Assets Beginning of Year</i>	<u>274,874</u>
<i>Net Assets End of Year (Deficit)</i>	<u><u>(\$343,201)</u></u>

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2005

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Interfund Services	\$5,769,956
Cash Payments for Goods and Services	(321,056)
Cash Payments for Claims	<u>(5,505,986)</u>

Net Decrease in Cash and Cash Equivalents (57,086)

Cash and Cash Equivalents Beginning of Year 1,151,773

Cash and Cash Equivalents End of Year \$1,094,687

**Reconciliation of Operating Loss to Net Cash
Used for Operating Activities**

Operating Loss (\$618,075)

Increase in Liabilities:

Accounts Payable	40,642
Claims Payable	<u>520,347</u>

Net Cash Used for Operating Activities (\$57,086)

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$27,980	\$225,002
Liabilities		
Accounts Payable	0	\$1,574
Due to Students	0	223,428
<i>Total Liabilities</i>	0	\$225,002
Net Assets		
Held in Trust for Scholarships	\$27,980	

See accompanying notes to the basic financial statements

Westlake City School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
June 30, 2005

	<u>Scholarship</u>
Additions	
Interest	\$565
Deductions	
	<u>0</u>
<i>Change in Net Assets</i>	565
<i>Net Assets Beginning of Year</i>	<u>27,415</u>
<i>Net Assets End of Year</i>	<u><u>\$27,980</u></u>

See accompanying notes to the basic financial statements

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 272 certificated full-time teaching personnel and 19 administrators who provide services to 3,994 students and other community members.

Reporting Entity

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

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

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

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

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

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

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

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

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

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

C. Measurement Focus

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

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

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 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.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Data

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

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, 2005

F. Cash and Cash Equivalents

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

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

During fiscal year 2005, the School District's investments were limited to certificates of deposit, Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Bonds and STAROhio.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2005.

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 2005 amounted to \$324,615, which includes \$122,146 assigned from other School District funds.

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

G. Inventory

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

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

H. Capital Assets

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

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

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:

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Description	Governmental Activities Estimated Lives
Buildings and Improvements	30 - 50 years
Furniture and Equipment	5 -10 years
Vehicles	10 years
Land Improvements	30 years
Textbooks	5 years
Library Books	2 years

I. Interfund Balances

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

J. Bond Issuance Costs

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

K. Bond Premium

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

L. Gain/Loss on Refunding

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

M. Compensated Absences

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

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

N. Accrued Liabilities and Long-Term Obligations

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

O. Interfund Activity

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

P. Fund Balance Reserves

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

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

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$2,623,364 of restrict net assets, of which 1,348,859 is restricted by enabling legislation.

Net assets restricted for other purposes include 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.

R. Operating Revenues and Expenses

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

T. Estimates

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

Note 3 – Change in Accounting Principle and Restatement of Prior Year Net Assets

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

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

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

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

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

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

During fiscal year 2005 it was determined that the liability for capital leases was overstated by \$68,823 at June 30, 2004. The restatement increased governmental activities net assets at June 30, 2004 from \$23,365,925 to \$23,434,748.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 4 – Accountability and Compliance

A. Accountability

At June 30, 2005, the following funds had a deficit fund balance/net assets:

Special Revenue Funds	<u>Deficit</u>
Food Service	\$91,652
Community Education	146,207
Title V	145
Drug Free Schools	40
Class Size Reduction Grant	478

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

B. Compliance

Contrary to 5705.41(B), Ohio Revised Code, the School District had various accounts that had expenditures plus encumbrances in excess of appropriations at January 31, 2005.

Contrary to 5705.41(B), Ohio Revised Code, the Athletic and Music special revenue fund had expenditures plus encumbrances of \$10,595 in excess of \$9,099 over appropriations of \$1,496 for the Sports-Oriented Activities-Vending Machines-Materials and Supplies cost center as of June 30, 2005.

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 (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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	(\$3,736,963)
Net Adjustment for Revenue Accruals	859,686
Advance In	18,496
Beginning Fair Value Adjustment for Investments	8,395
Ending Fair Value Adjustment for Investments	(9,600)
Net Adjustment for Expenditure Accruals	1,160,091
Advance Out	(15,912)
Adjustment for Encumbrances	(1,412,728)
Budget Basis	<u><u>(\$3,128,535)</u></u>

Note 6 - Deposits and Investments

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

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

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

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to 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;

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAROhio);
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$8,899,755 of the School District's bank balance of \$9,231,599 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Investments

Investments are reported at fair value. As of June 30, 2005, the School District had the following investments:

	Fair Value	Maturity
Federal Home Loan Bank Bonds	\$990,400	December 30, 2005
Federal Home Loan Mortgage Corporation Bonds	494,400	February 28, 2006
STAROhio	572,650	33 days
Total	\$2,057,450	

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years.

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

Credit Risk The Federal Home Loan Bank Bonds and the Federal Home Loan Mortgage Corporation Bonds carry a rating of AAA by Standard & Poor's and STAROhio also carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District's allocation as of June 30, 2005:

<u>Investment</u>	<u>Percentage of Investments</u>
Federal Home Loan Bank Bonds	48.14%
Federal Home Loan Mortgage Corporation Bonds	24.03%
STAROhio	27.83%

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property 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 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 become a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or 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.

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, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 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, 2005 was \$4,183,382 in the general fund and \$542,802 in the bond retirement debt service fund. The amount available as an advance at June 30, 2004, was \$5,054,641 in the general fund and \$717,806 in the bond retirement debt service fund. The 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 2005 taxes were collected are:

	2004 Second Half Collection		2005 First Half Collection	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,181,766,920	92.93 %	\$1,209,509,470	93.28 %
Public Utility Personal	22,652,240	1.78	22,225,550	1.71
Tangible Personal Property	67,303,512	5.29	64,928,167	5.01
Total	\$1,271,722,672	100.00 %	\$1,296,663,187	100.00 %
Tax rate per \$1,000 of assessed valuation	\$61.00		\$60.70	

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 8 - Receivables

Receivables at June 30, 2005, 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.

A summary of principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Title VI-B Grant	\$117,657
Food Service Subsidies	10,806
Early Childhood Education Development Grant	3,787
City of Westlake Legal Fees	1,610
Total Governmental Activities	\$133,860

Note 9 – Interfund Balances and Transfers

Interfund balances at June 30, 2005, 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	26,316
Athletic and Music	207
<i>Total Governmental Activities</i>	\$44,523

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. Advances will be repaid within one year.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Transfers made during fiscal year 2005 were \$60,000 to the athletics and music special revenue fund and \$75,000 to the permanent improvement capital projects fund from the general fund. General fund transfers are made to cover the operations of the noted funds.

Transfers To	Transfers From General Fund
<i>Governmental Activities</i>	
Nonmajor Funds	
Athletic and Music	\$60,000
Permanent Improvements	75,000
<i>Total Governmental Activities</i>	\$135,000

Note 10 - Capital Assets

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

	Balance 6/30/2004	Additions	Deductions	Balance 6/30/2005
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$2,468,751	\$0	\$0	\$2,468,751
Construction in Progress	3,830,296	5,060,093	(8,890,389)	0
<i>Total Nondepreciable Capital Assets</i>	6,299,047	5,060,093	(8,890,389)	2,468,751
Depreciable Capital Assets				
Land Improvements	83,051	0	0	83,051
Building and Improvements	45,206,810	8,890,389	0	54,097,199
Furniture and Equipment	5,665,863	146,548	(665,805)	5,146,606
Vehicles	3,756,889	227,938	(208,130)	3,776,697
Textbooks and Library Books	1,684,880	340,918	0	2,025,798
<i>Total Capital Assets, being depreciated</i>	56,397,493	9,605,793	(873,935)	65,129,351
Less Accumulated Depreciation				
Land Improvements	(7,011)	(2,861)	0	(9,872)
Building and Improvements	(12,024,007)	(912,405)	0	(12,936,412)
Furniture and Equipment	(4,040,052)	(272,774)	665,805	(3,647,021)
Vehicles	(1,794,078)	(291,141)	208,130	(1,877,089)
Textbooks and Library Books	(1,169,137)	(214,147)	0	(1,383,284)
<i>Total Accumulated Depreciation</i>	(19,034,285)	(1,693,328) *	873,935	(19,853,678)
<i>Total Capital Assets, being depreciated, Net</i>	37,363,208	7,912,465	0	45,275,673
<i>Governmental Activities Capital Assets, Net</i>	\$43,662,255	\$12,972,558	(\$8,890,389)	\$47,744,424

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$969,105
Special	76,057
Vocational	7,524
Support Services:	
Pupils	62,529
Instructional Staff	89,936
Administration	50,673
Fiscal	6,708
Business	4,658
Operation and Maintenance of Plant	64,755
Pupil Transportation	296,157
Central	5,142
Operation of Non-Instructional Activities	469
Extracurricular Activities	26,565
Food Service Operations	33,050
Total Depreciation Expense	<u><u>\$1,693,328</u></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 2005, the School District contracted through the Ohio Schools Council with various insurance carriers for specific coverage types.

The School District contracts with Indiana Insurance and Travelers Insurance to provide property and general liability insurance, as well as boiler and machinery coverage. There is a \$5,000 deductible with a one hundred percent co-insurance for property and a \$1,000 deductible for boiler and machinery coverage. There is no deductible for general liability.

General liability is protected by Indiana Insurance Company with a \$1,000,000 single occurrence limit, a \$2,000,000 aggregate limit including a \$6,000,000 umbrella coverage policy. Employee dishonesty coverage is provided by Ohio Casualty with a \$1,000 deductible. Vehicles are covered by Indiana Insurance Agency and have a \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability excluding the umbrella coverage indicated above.

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

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

B. Worker's Compensation

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

C. Employee Medical Benefits

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

Bridge Benefits, the third-party administrator, administers the plan and reviews all claims which are funded by the School District. The School District pays into the self-insurance internal service fund \$997.92 for family coverage and \$393.05 for single coverage per month. This represents the entire premium required to fund expected claims in conjunction with current healthcare reserves. The premium is paid by the fund that pays the salary of the employee and is based on historical and projected 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 2005. Under the new cooperative arrangement, the School District maintains a \$150,000 specific and aggregate stop-loss based upon an appropriate attachment point. The third-party administrator provides claim review and processing for the medical insurance program as well.

The claims liability of \$1,397,246 reported in the self-insurance fund at June 30, 2005, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2004	\$519,794	\$4,025,467	\$3,668,362	\$876,899
2005	876,899	6,026,333	5,505,986	1,397,246

Westlake City School District
Notes to the Basic Financial Statements
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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-one 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, certified employees receive payment for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 240 days. Classified 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 \$50,000 or \$25,000 for all certified employees depending upon full and part time teaching, \$45,000 or \$30,000 for all noncertified employees depending upon the number of years each employee worked, and \$60,000 for each administrator except the superintendent and treasurer which are \$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 benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations; for fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003, were \$672,331, \$549,708, and \$463,102 respectively; 95.26 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

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

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$2,540,104, \$2,440,061, and \$2,345,414, respectively; 64.02 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$26,602 made by the School District and \$40,028 made by the plan members.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

All retirees who participate in the DB or Combined plans and their 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. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$195,393 for fiscal year 2005.

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

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. 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, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$27,400. However, the surcharge is capped at 2 percent of each employee's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2005 fiscal year equaled \$646,432.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 15 – 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, 2017
School Improvements	2003	8,700,000	2.0-5.0%	December 1, 2027
School Improvements Refunding	2004	13,925,000	2.0-15.4%	December 1, 2016

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

	Principal Outstanding 06/30/04	Additions	Reductions	Outstanding Balance 06/30/05	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
Additions to Facility	\$280,000	\$0	(\$280,000)	\$0	\$0
School Improvements	300,000		(100,000)	200,000	100,000
School Improvements	5,530,000	0	(1,410,000)	4,120,000	1,560,000
Library Improvements	5,625,000	0	(390,000)	5,235,000	435,000
School Improvements Serial Bonds	8,480,000	0	(240,000)	8,240,000	260,000
Unamortized Premium	164,373	0	(7,146)	157,227	0
School Improvements Refunding					
Serial Bonds	13,200,000	0	(470,000)	12,730,000	360,000
Unamortized Premium	264,342	0	(20,334)	244,008	0
Capital Appreciation Bonds	725,000	0	0	725,000	0
Accretion on Capital Appreciation Bonds	31,039	118,888	0	149,927	0
Unamortized Premium	1,836,057	0	(141,235)	1,694,822	0
Deferred Amount of Refunding	(1,924,797)	0	148,061	(1,776,736)	0
Total General Obligation Bonds	34,511,014	118,888	(2,910,654)	31,719,248	2,715,000
Capital Leases	27,044	17,102	(6,791)	37,355	7,834
Compensated Absences	3,434,919	150,583	(97,888)	3,487,614	1,262,989
Total Governmental Activities					
Long-Term Liabilities	<u>\$37,972,977</u>	<u>\$286,573</u>	<u>(\$3,015,333)</u>	<u>\$35,244,217</u>	<u>\$3,985,823</u>

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

All general obligation bonds will be paid from property taxes in the bond retirement fund. Compensated absences will be paid from the general fund and the food service, interdistrict summer school, community education, auxiliary services, educational management information systems, adult basic education, title vi-b and early childhood educational development special revenue funds. Capital lease obligations will be paid from the general fund.

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

On March 1, 2003, the School District issued bonds for the purpose of constructing a performing arts center in the amount of \$8,700,000. The bonds were issued at a premium of \$171,520 for a 25 year period with final maturity at December 1, 2027.

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

The bonds were sold at a premium of \$2,140,791. Proceeds of \$15,886,812 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 1995 classroom facilities improvement bonds. As a result, \$13,925,000 of these bonds were considered defeased and the liability for the refunded portion of these bonds has been removed from the basic financial statements. As of June 30, 2005 the outstanding amount of the refunded bonds are \$13,455,000.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,961,812. This difference, reported as a deduction from bonds payable, is being charged to interest through fiscal year 2017.

The serial bonds were issued for a 11 year period with a final maturity at December 1, 2014. The capital appreciation bonds were issued for a 13 year period with a final maturity at December 1, 2016 in the amount of \$4,305,000. For fiscal year 2005, \$118,888 was accreted. The bonds are being retired from the bond retirement fund. The 2004 school improvements refunding bonds are not subject to redemption prior to stated maturity.

The overall debt margin of the School District as of June 30, 2005, was \$88,946,507 with an unvoted debt margin of \$1,296,663. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2005, are as follows:

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Fiscal Year Ending June, 30	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$2,715,000	\$1,187,941	\$0	\$0	\$2,715,000	\$1,187,941
2007	2,960,000	1,043,066	0	0	2,960,000	1,043,066
2008	1,680,000	933,854	0	0	1,680,000	933,854
2009	1,800,000	877,495	0	0	1,800,000	877,495
2010	1,925,000	828,700	0	0	1,925,000	828,700
2011-2015	11,870,000	3,004,189	0	0	11,870,000	3,004,189
2016-2020	3,475,000	1,291,388	725,000	3,580,000	4,200,000	4,871,388
2021-2025	2,385,000	705,221	0	0	2,385,000	705,221
2026-2029	1,715,000	131,375	0	0	1,715,000	131,375
Total	<u>\$30,525,000</u>	<u>\$10,003,229</u>	<u>\$725,000</u>	<u>\$3,580,000</u>	<u>\$31,250,000</u>	<u>\$13,583,229</u>

Note 16 – Contractual Commitments

As of June 30, 2005, the School District had the following contractual commitments:

Contractor	Contract Amount	Amount paid as of 6/30/05	Amount Remaining on Contract
Van Dijk, Westlake, Reed	\$464,515	\$444,830	\$19,685
Summit Construction	5,298,497	5,083,754	214,743
Fortney-Weygandt	1,547,225	1,449,605	97,620
Castle Heating and Air	862,604	840,936	21,668
Total	<u>\$8,172,841</u>	<u>\$7,819,125</u>	<u>\$353,716</u>

Note 17 - 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.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

	<u>Textbooks</u>	<u>Capital</u>
	<u>Instructional</u>	<u>Improvements</u>
	<u>Materials</u>	<u>Reserve</u>
	<u>Reserve</u>	<u>Reserve</u>
Set-aside Reserve Balance as of June 30, 2004	(\$1,116,051)	\$0
Current Year Set-aside Requirement	588,587	588,587
Qualifying Disbursements	<u>(799,799)</u>	<u>(782,505)</u>
Total	<u>(\$1,327,263)</u>	<u>(\$193,918)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$1,327,263)</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2005	<u>\$0</u>	<u>\$0</u>

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

Note 18 - Capital Leases

During the prior fiscal years, the School District entered into several lease agreements for copiers. The School District's lease obligations met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases." Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized and depreciated as follows:

Governmental Activities	
Capital Assets, being depreciated:	
Furniture and Equipment	\$45,559
Less Accumulated Depreciation:	
Furniture and Equipment	<u>(9,111)</u>
<i>Total Capital Assets, being depreciated, net</i>	<u>\$36,448</u>

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 2005.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2006	\$11,384
2007	11,384
2008	11,384
2009	11,333
2010	453
	<u>45,938</u>
Less: Amount Representing Interest	<u>(8,583)</u>
Present Value of Minimum Lease Payments	<u><u>\$37,355</u></u>

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 \$40,990 to LEECA in fiscal year 2005. Financial information can be obtained by contacting the Treasurer at the Lorain County Educational Service Center, who serves as the fiscal agent, at 1885 Lake Avenue, Elyria, Ohio 44035.

B. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2005, the School District paid \$3,069 to the Council. Financial information can be obtained by contacting David A. Cottrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

Westlake City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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, 2005

Note 21 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

B. Litigation

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

*Combining and
Individual Fund Statements and 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.

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

Entry Year Programs Fund - This fund accounts for State monies which support the development of programs for teachers beginning employment with the School District.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

Child Abuse Detection Training Fund - This fund accounts for State monies provided to educate teachers detecting child abuse.

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

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.

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 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.

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.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Fund

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

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

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

School Net Plus Fund – This fund accounts for State monies used to obtain computers and related educational technology and/or the necessary infrastructure for educational technology.

Westlake City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$877,707	\$278,214	\$1,155,921
Cash and Cash Equivalents with Escrow Agent	0	170,253	170,253
Accounts Receivable	1,080	0	1,080
Intergovernmental Receivable	132,250	0	132,250
Inventory Held for Resale	5,188	0	5,188
Materials and Supplies Inventory	1,549	0	1,549
<i>Total Assets</i>	<u>\$1,017,774</u>	<u>\$448,467</u>	<u>\$1,466,241</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$119,247	\$12,699	\$131,946
Accrued Wages and Benefits Payable	106,428	0	106,428
Retainage Payable	0	14,832	14,832
Intergovernmental Payable	245,341	0	245,341
Interfund Payable	44,523	0	44,523
Deferred Revenue	119,019	0	119,019
<i>Total Liabilities</i>	<u>634,558</u>	<u>27,531</u>	<u>662,089</u>
Fund Balances:			
Reserved for Encumbrances	81,652	238,881	320,533
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	301,564	0	301,564
Capital Projects Funds	0	182,055	182,055
<i>Total Fund Balances</i>	<u>383,216</u>	<u>420,936</u>	<u>804,152</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,017,774</u>	<u>\$448,467</u>	<u>\$1,466,241</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, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$1,562,574	\$36,225	\$1,598,799
Interest	4,471	67,914	72,385
Charges for Services	854,299	0	854,299
Tuition and Fees	547,903	0	547,903
Extracurricular Activities	319,623	0	319,623
Contributions and Donations	72,893	0	72,893
Miscellaneous	57,594	0	57,594
<i>Total Revenues</i>	<u>3,419,357</u>	<u>104,139</u>	<u>3,523,496</u>
Expenditures			
Current:			
Instruction:			
Regular	148,604	0	148,604
Special	456,279	0	456,279
Adult/Continuing	45,101	0	45,101
Support Services:			
Pupil	49,915	0	49,915
Instructional Staff	229,956	0	229,956
Board of Education	40	0	40
Administration	112,449	0	112,449
Operation and Maintenance of Plant	3,770	0	3,770
Central	57,122	0	57,122
Operation of Non-instructional Services:			
Food Service Operations	992,600	0	992,600
Other Non-instructional Services	1,044,258	0	1,044,258
Extracurricular Activities	591,112	0	591,112
Capital Outlay	997	4,934,930	4,935,927
<i>Total Expenditures</i>	<u>3,732,203</u>	<u>4,934,930</u>	<u>8,667,133</u>
<i>Excess of Revenues Under Expenditures</i>	(312,846)	(4,830,791)	(5,143,637)
Other Financing Sources			
Transfers In	60,000	75,000	135,000
<i>Net Change in Fund Balances</i>	(252,846)	(4,755,791)	(5,008,637)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>636,062</u>	<u>5,176,727</u>	<u>5,812,789</u>
<i>Fund Balances End of Year</i>	<u>\$383,216</u>	<u>\$420,936</u>	<u>\$804,152</u>

Westlake City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Food Service	Local Grants	Uniform School Supplies	Interdistrict Summer School
Assets				
Equity in Pooled Cash and Cash Equivalents	\$21,446	\$40,046	\$9,095	\$85,600
Accounts Receivable	0	0	120	0
Intergovernmental Receivable	10,806	0	0	0
Inventory Held for Resale	5,188	0	0	0
Materials and Supplies Inventory	1,549	0	0	0
<i>Total Assets</i>	<u>\$38,989</u>	<u>\$40,046</u>	<u>\$9,215</u>	<u>\$85,600</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$821	\$0	\$0	\$0
Accrued Wages and Benefits Payable	27,761	0	0	24,583
Intergovernmental Payable	84,059	0	0	26,320
Interfund Payable	18,000	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>130,641</u>	<u>0</u>	<u>0</u>	<u>50,903</u>
Fund Balances				
Reserved for Encumbrances	6,197	1,320	0	0
Unreserved, Undesignated (Deficit)	(97,849)	38,726	9,215	34,697
<i>Total Fund Balances (Deficit)</i>	<u>(91,652)</u>	<u>40,046</u>	<u>9,215</u>	<u>34,697</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$38,989</u>	<u>\$40,046</u>	<u>\$9,215</u>	<u>\$85,600</u>

<u>Community Education</u>	<u>Public School Support</u>	<u>Professional Development Grant</u>	<u>Athletic and Music</u>	<u>Auxiliary Services</u>	<u>Career Education Program</u>
\$12,326	\$213,171	\$23,758	\$209,192	\$146,240	\$57
0	0	750	0	210	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$12,326</u>	<u>\$213,171</u>	<u>\$24,508</u>	<u>\$209,192</u>	<u>\$146,450</u>	<u>\$57</u>
\$1,577	\$2,663	\$0	\$10,070	\$96,184	\$0
28,267	0	0	0	15,144	0
102,373	0	0	100	10,203	0
26,316	0	0	207	0	0
0	0	0	0	0	0
<u>158,533</u>	<u>2,663</u>	<u>0</u>	<u>10,377</u>	<u>121,531</u>	<u>0</u>
2,185	6,406	0	1,926	25,054	0
(148,392)	204,102	24,508	196,889	(135)	57
<u>(146,207)</u>	<u>210,508</u>	<u>24,508</u>	<u>198,815</u>	<u>24,919</u>	<u>57</u>
<u>\$12,326</u>	<u>\$213,171</u>	<u>\$24,508</u>	<u>\$209,192</u>	<u>\$146,450</u>	<u>\$57</u>

(continued)

Westlake City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2005

	Educational Management Information Systems	Entry Year Programs	Data Communications Support	School Net Professional Development
Assets				
Equity in Pooled Cash and Cash Equivalents	\$20,388	\$664	\$613	\$633
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$20,388</u>	<u>\$664</u>	<u>\$613</u>	<u>\$633</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$400	\$0
Accrued Wages and Benefits Payable	1,186	0	0	0
Intergovernmental Payable	2,352	135	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>3,538</u>	<u>135</u>	<u>400</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	14	0	0
Unreserved, Undesignated (Deficit)	16,850	515	213	633
<i>Total Fund Balances (Deficit)</i>	<u>16,850</u>	<u>529</u>	<u>213</u>	<u>633</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$20,388</u>	<u>\$664</u>	<u>\$613</u>	<u>\$633</u>

Adult Basic Education	Title VI-B	Energy Audit	Title V	Drug Free Schools Grant	Early Childhood Education Development
\$26,991	\$58,384	\$786	\$25	\$0	\$1,553
0	0	0	0	0	0
0	117,657	0	0	0	3,787
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$26,991</u>	<u>\$176,041</u>	<u>\$786</u>	<u>\$25</u>	<u>\$0</u>	<u>\$5,340</u>
\$0	\$2,730	\$0	\$0	\$0	\$0
2,645	4,588	0	0	0	2,254
15,213	3,438	0	170	40	612
0	0	0	0	0	0
0	117,657	0	0	0	1,362
<u>17,858</u>	<u>128,413</u>	<u>0</u>	<u>170</u>	<u>40</u>	<u>4,228</u>
0	38,386	0	0	0	164
9,133	9,242	786	(145)	(40)	948
<u>9,133</u>	<u>47,628</u>	<u>786</u>	<u>(145)</u>	<u>(40)</u>	<u>1,112</u>
<u>\$26,991</u>	<u>\$176,041</u>	<u>\$786</u>	<u>\$25</u>	<u>\$0</u>	<u>\$5,340</u>

(continued)

Westlake City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2005

	E-Rate Grant	Class Size Reduction Grant	Total Nonmajor Special Revenue Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,089	\$4,650	\$877,707
Accounts Receivable	0	0	1,080
Intergovernmental Receivable	0	0	132,250
Inventory Held for Resale	0	0	5,188
Materials and Supplies Inventory	0	0	1,549
<i>Total Assets</i>	<u>\$2,089</u>	<u>\$4,650</u>	<u>\$1,017,774</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$4,802	\$119,247
Accrued Wages and Benefits Payable	0	0	106,428
Intergovernmental Payable	0	326	245,341
Interfund Payable	0	0	44,523
Deferred Revenue	0	0	119,019
<i>Total Liabilities</i>	<u>0</u>	<u>5,128</u>	<u>634,558</u>
Fund Balances			
Reserved for Encumbrances	0	0	81,652
Unreserved, Undesignated (Deficit)	2,089	(478)	301,564
<i>Total Fund Balances (Deficit)</i>	<u>2,089</u>	<u>(478)</u>	<u>383,216</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,089</u>	<u>\$4,650</u>	<u>\$1,017,774</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, 2005

	Food Service	Local Grants	Uniform School Supplies	Interdistrict Summer School
Revenues				
Intergovernmental	\$101,685	\$0	\$0	\$0
Interest	591	572	0	0
Charges for Services	836,920	0	17,379	0
Tuition and Fees	0	0	0	69,873
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	10,372	0	0
Miscellaneous	2,735	0	0	0
<i>Total Revenues</i>	<u>941,931</u>	<u>10,944</u>	<u>17,379</u>	<u>69,873</u>
Expenditures				
Current:				
Instruction:				
Regular	0	1	15,160	83,528
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	21,256
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	992,600	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	8,150	0	0
Capital Outlay	0	997	0	0
<i>Total Expenditures</i>	<u>992,600</u>	<u>9,148</u>	<u>15,160</u>	<u>104,784</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(50,669)	1,796	2,219	(34,911)
Other Financing Sources				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(50,669)	1,796	2,219	(34,911)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(40,983)</u>	<u>38,250</u>	<u>6,996</u>	<u>69,608</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$91,652)</u></u>	<u><u>\$40,046</u></u>	<u><u>\$9,215</u></u>	<u><u>\$34,697</u></u>

(continued)

Westlake City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds (continued)

For the Fiscal Year Ended June 30, 2005

	Community Education	Public School Support	Professional Development Grant	Athletic and Music
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Interest	0	0	0	0
Charges for Services	0	0	0	0
Tuition and Fees	294,399	183,631	0	0
Extracurricular Activities	0	125,692	0	193,931
Contributions and Donations	0	52,179	0	10,342
Miscellaneous	0	2,482	38,025	14,142
<i>Total Revenues</i>	<u>294,399</u>	<u>363,984</u>	<u>38,025</u>	<u>218,415</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	4,928	0
Special	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	516	0
Instructional Staff	0	0	107	0
Board of Education	0	40	0	0
Administration	91,193	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	333,909	2,605	18,045	0
Extracurricular Activities	0	337,510	0	245,452
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>425,102</u>	<u>340,155</u>	<u>23,596</u>	<u>245,452</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(130,703)	23,829	14,429	(27,037)
Other Financing Sources				
Transfers In	0	0	0	60,000
<i>Net Change in Fund Balances</i>	(130,703)	23,829	14,429	32,963
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(15,504)</u>	<u>186,679</u>	<u>10,079</u>	<u>165,852</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$146,207)</u></u>	<u><u>\$210,508</u></u>	<u><u>\$24,508</u></u>	<u><u>\$198,815</u></u>

Auxiliary Services	Career Education Program	Educational Management Information Systems	Entry Year Programs	Data Communications Support	School Net Professional Development
\$475,659	\$0	\$12,685	\$8,800	\$21,000	\$4,140
3,308	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
210	0	0	0	0	0
<u>479,177</u>	<u>0</u>	<u>12,685</u>	<u>8,800</u>	<u>21,000</u>	<u>4,140</u>
0	0	0	0	0	686
0	0	0	0	0	0
0	0	0	0	0	0
0	100	0	0	0	0
0	0	0	10,871	0	5,067
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	16,916	0	40,206	0
0	0	0	0	0	0
568,812	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>568,812</u>	<u>100</u>	<u>16,916</u>	<u>10,871</u>	<u>40,206</u>	<u>5,753</u>
(89,635)	(100)	(4,231)	(2,071)	(19,206)	(1,613)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(89,635)	(100)	(4,231)	(2,071)	(19,206)	(1,613)
114,554	157	21,081	2,600	19,419	2,246
<u>\$24,919</u>	<u>\$57</u>	<u>\$16,850</u>	<u>\$529</u>	<u>\$213</u>	<u>\$633</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, 2005

	Ohio Reads Grant	Student Reading Intervention	Child Abuse Detection Training	Safe Schools Help Line
Revenues				
Intergovernmental	\$8,000	\$55,697	\$240	\$3,770
Interest	0	0	0	0
Charges for Services	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>8,000</u>	<u>55,697</u>	<u>240</u>	<u>3,770</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	240	0
Special	0	55,470	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	8,000	0	0	0
Board of Education	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant Central	0	0	0	3,770
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>8,000</u>	<u>55,470</u>	<u>240</u>	<u>3,770</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	227	0	0
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	0	227	0	0
<i>Fund Balances (Deficit) Beginning of Year</i>	0	(227)	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Adult Basic Education	Title VI-B	Energy Audit	Title V	Drug Free Schools Grant	Early Childhood Education Development
\$88,845	\$655,808	\$0	\$19,021	\$9,541	\$22,889
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
<u>88,845</u>	<u>655,808</u>	<u>0</u>	<u>19,021</u>	<u>9,541</u>	<u>22,889</u>
0	0	0	0	0	0
0	395,869	0	0	0	4,940
45,101	0	0	0	0	0
0	25,000	0	0	8,948	14,919
56,620	92,648	0	16,116	0	1,615
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	111,088	0	7,629	633	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>101,721</u>	<u>624,605</u>	<u>0</u>	<u>23,745</u>	<u>9,581</u>	<u>21,474</u>
(12,876)	31,203	0	(4,724)	(40)	1,415
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(12,876)	31,203	0	(4,724)	(40)	1,415
<u>22,009</u>	<u>16,425</u>	<u>786</u>	<u>4,579</u>	<u>0</u>	<u>(303)</u>
<u>\$9,133</u>	<u>\$47,628</u>	<u>\$786</u>	<u>(\$145)</u>	<u>(\$40)</u>	<u>\$1,112</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, 2005

	E-Rate Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues				
Intergovernmental	\$0	\$74,794	\$0	\$1,562,574
Interest	0	0	0	4,471
Charges for Services	0	0	0	854,299
Tuition and Fees	0	0	0	547,903
Extracurricular Activities	0	0	0	319,623
Contributions and Donations	0	0	0	72,893
Miscellaneous	0	0	0	57,594
<i>Total Revenues</i>	<u>0</u>	<u>74,794</u>	<u>0</u>	<u>3,419,357</u>
Expenditures				
Current:				
Instruction:				
Regular	0	44,061	0	148,604
Special	0	0	0	456,279
Adult/Continuing	0	0	0	45,101
Support Services:				
Pupil	0	0	432	49,915
Instructional Staff	0	34,466	4,446	229,956
Board of Education	0	0	0	40
Administration	0	0	0	112,449
Operation and Maintenance of Plant	0	0	0	3,770
Central	0	0	0	57,122
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	992,600
Other Non-Instructional Services	0	1,537	0	1,044,258
Extracurricular Activities	0	0	0	591,112
Capital Outlay	0	0	0	997
<i>Total Expenditures</i>	<u>0</u>	<u>80,064</u>	<u>4,878</u>	<u>3,732,203</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(5,270)	(4,878)	(312,846)
Other Financing Sources				
Transfers In	0	0	0	60,000
<i>Net Change in Fund Balances</i>	0	(5,270)	(4,878)	(252,846)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,089</u>	<u>4,792</u>	<u>4,878</u>	<u>636,062</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$2,089</u></u>	<u><u>(\$478)</u></u>	<u><u>\$0</u></u>	<u><u>\$383,216</u></u>

Westlake City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2005

	<u>Permanent Improvement</u>	<u>Building</u>	<u>School Net Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$58,467	\$219,617	\$130	\$278,214
Cash and Cash Equivalents with Escrow Agent	<u>0</u>	<u>170,253</u>	<u>0</u>	<u>170,253</u>
<i>Total Assets</i>	<u>\$58,467</u>	<u>\$389,870</u>	<u>\$130</u>	<u>\$448,467</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$12,699	\$0	\$12,699
Retainage Payable	<u>0</u>	<u>14,832</u>	<u>0</u>	<u>14,832</u>
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$27,531</u>	<u>\$0</u>	<u>\$27,531</u>
Fund Balances:				
Reserved for Encumbrances	10,150	228,731	0	238,881
Unreserved, Undesignated	<u>48,317</u>	<u>133,608</u>	<u>130</u>	<u>182,055</u>
<i>Total Fund Balances</i>	<u>58,467</u>	<u>362,339</u>	<u>130</u>	<u>420,936</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$58,467</u>	<u>\$389,870</u>	<u>\$130</u>	<u>\$448,467</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, 2005

	Permanent Improvement	Building	School Net Plus	Total Nonmajor Capital Projects Funds
Revenues				
Intergovernmental	\$0	0	\$36,225	36,225
Interest	533	67,381	0	67,914
<i>Total Revenues</i>	533	67,381	36,225	104,139
Expenditures				
Capital Outlay	92,745	4,806,090	36,095	4,934,930
<i>Excess of Revenues Over (Under) Expenditures</i>	(92,212)	(4,738,709)	130	(4,830,791)
Other Financing Sources				
Transfers In	75,000	0	0	75,000
<i>Net Change in Fund Balances</i>	(17,212)	(4,738,709)	130	(4,755,791)
<i>Fund Balances Beginning of Year</i>	75,679	5,101,048	0	5,176,727
<i>Fund Balances End of Year</i>	<u>\$58,467</u>	<u>\$362,339</u>	<u>\$130</u>	<u>\$420,936</u>

Agency Fund

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

Westlake City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	Beginning Balance June 30, 2004	Additions	Reductions	Ending Balance June 30, 2005
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$190,619	\$443,049	\$408,666	\$225,002
Liabilities				
Accounts Payable	\$2,846	\$1,574	\$2,846	\$1,574
Due to Students	187,773	441,475	405,820	223,428
<i>Total Liabilities</i>	\$190,619	\$443,049	\$408,666	\$225,002

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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$31,021,220	\$30,338,647	\$31,207,841	\$869,194
Intergovernmental	7,002,557	6,848,477	7,044,684	196,207
Interest	323,873	316,746	325,821	9,075
Charges for Services	19,246	18,823	19,362	539
Tuition and Fees	55,206	53,991	55,538	1,547
Rentals	31,649	30,952	31,839	887
Miscellaneous	71,087	69,525	71,516	1,991
<i>Total Revenues</i>	<u>38,524,838</u>	<u>37,677,161</u>	<u>38,756,601</u>	<u>1,079,440</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	14,071,687	13,767,539	13,767,469	70
Fringe Benefits	4,335,494	4,683,971	4,683,843	128
Purchased Services	1,436,284	1,203,848	1,203,716	132
Materials and Supplies	802,069	790,191	689,174	101,017
Capital Outlay - New	128,451	134,147	118,224	15,923
Capital Outlay - Replacement	170,279	170,279	37,280	132,999
Total Regular	<u>20,944,264</u>	<u>20,749,975</u>	<u>20,499,706</u>	<u>250,269</u>
Special:				
Salaries and Wages	2,134,857	2,068,072	2,068,072	0
Fringe Benefits	995,264	1,088,807	1,088,807	0
Purchased Services	1,519	3,277	2,353	924
Materials and Supplies	9,636	10,337	10,103	234
Capital Outlay - New	15,344	13,781	2,896	10,885
Other	0	31,000	31,000	0
Total Special	<u>3,156,620</u>	<u>3,215,274</u>	<u>3,203,231</u>	<u>12,043</u>
Vocational:				
Salaries and Wages	317,178	314,978	314,978	0
Fringe Benefits	93,462	100,362	100,362	0
Purchased Services	31,450	35,567	33,098	2,469
Materials and Supplies	11,527	9,435	8,971	464
Total Vocational	<u>453,617</u>	<u>460,342</u>	<u>457,409</u>	<u>2,933</u>
Total Instruction	<u>\$24,554,501</u>	<u>\$24,425,591</u>	<u>\$24,160,346</u>	<u>\$265,245</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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupils:				
Salaries and Wages	\$1,482,746	\$1,571,075	\$1,571,075	\$0
Fringe Benefits	499,392	579,409	579,409	0
Purchased Services	734,191	739,608	628,937	110,671
Materials and Supplies	151,009	143,855	66,067	77,788
Capital Outlay - New	0	394	394	0
Other	750	750	728	22
Total Pupils	2,868,088	3,035,091	2,846,610	188,481
Instructional Staff:				
Salaries and Wages	1,543,645	1,524,482	1,524,482	0
Fringe Benefits	557,279	649,168	649,168	0
Purchased Services	126,237	144,037	142,794	1,243
Materials and Supplies	144,078	127,617	127,617	0
Capital Outlay - New	155	3,384	3,384	0
Capital Outlay - Replacement	5,000	1,098	1,098	0
Other	1,200	682	682	0
Total Instructional Staff	2,377,594	2,450,468	2,449,225	1,243
Board of Education:				
Salaries and Wages	14,443	20,115	20,115	0
Fringe Benefits	333	646	646	0
Purchased Services	1,400	1,358	225	1,133
Materials and Supplies	3,450	3,450	1,784	1,666
Other	8,750	7,718	5,377	2,341
Total Board of Education	28,376	33,287	28,147	5,140
Administration:				
Salaries and Wages	1,567,984	1,557,249	1,557,249	0
Fringe Benefits	744,888	753,563	753,563	0
Purchased Services	412,535	331,690	321,828	9,862
Materials and Supplies	32,997	30,361	27,212	3,149
Capital Outlay - New	9,430	10,712	10,582	130
Other	63,070	109,772	100,103	9,669
Total Administration	\$2,830,904	\$2,793,347	\$2,770,537	\$22,810

(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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fiscal:				
Salaries and Wages	\$275,707	\$275,995	\$275,995	\$0
Fringe Benefits	140,463	150,140	150,140	0
Purchased Services	30,246	33,885	31,463	2,422
Materials and Supplies	7,525	7,525	6,858	667
Capital Outlay - New	633	633	246	387
Other	658,079	613,918	584,967	28,951
Total Fiscal	1,112,653	1,082,096	1,049,669	32,427
Business:				
Salaries and Wages	\$229,975	\$224,120	\$224,120	0
Fringe Benefits	74,292	88,182	88,182	0
Purchased Services	112,576	112,844	100,334	12,510
Materials and Supplies	4,107	4,107	3,643	464
Other	125	145	20	125
Total Business	421,075	429,398	416,299	13,099
Operation and Maintenance of Plant:				
Salaries and Wages	1,620,227	1,549,194	1,549,194	0
Fringe Benefits	547,355	618,625	617,589	1,036
Purchased Services	1,437,500	1,269,324	1,269,324	0
Materials and Supplies	233,299	233,964	224,306	9,658
Capital Outlay - New	0	13,153	13,153	0
Capital Outlay - Replacement	58,610	58,810	40,839	17,971
Total Operation and Maintenance of Plant	3,896,991	3,743,070	3,714,405	28,665
Pupil Transportation:				
Salaries and Wages	1,755,879	1,726,775	1,726,775	0
Fringe Benefits	847,400	952,907	949,502	3,405
Purchased Services	258,116	250,958	232,591	18,367
Materials and Supplies	319,649	344,355	339,704	4,651
Capital Outlay - New	37,500	28,990	0	28,990
Capital Outlay - Replacement	184,344	184,344	184,344	0
Total Pupil Transportation	\$3,402,888	\$3,488,329	\$3,432,916	\$55,413

(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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Central:				
Salaries and Wages	\$47,024	\$46,152	\$46,152	\$0
Fringe Benefits	15,747	15,482	14,169	1,313
Purchased Services	46,426	46,226	40,234	5,992
Materials and Supplies	3,652	5,417	5,416	1
Other	0	180	55	125
Total Central	112,849	113,457	106,026	7,431
Total Support Services	17,051,418	17,168,543	16,813,834	354,709
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	121,104	120,768	120,768	0
Fringe Benefits	17,041	17,305	17,305	0
Total Academic and Subject Oriented Activities	138,145	138,073	138,073	0
Sports Oriented Activities:				
Salaries and Wages	485,010	486,606	486,606	0
Fringe Benefits	106,051	112,940	112,940	0
Purchased Services	7,500	7,875	7,875	0
Other	0	60	60	0
Total Sports Oriented Activities	598,561	607,481	607,481	0
Total Extracurricular Activities	736,706	745,554	745,554	0
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - Replacement	0	2,650	0	2,650
Architecture and Engineering Services:				
Purchased Services	0	32,950	32,950	0
Building Acquisition and Construction Services:				
Other	\$0	\$1,000	\$36	\$964

(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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Building Improvement Services:				
Purchased Services	\$35,000	\$5,000	\$0	\$5,000
Capital Outlay - Replacement	3,850	1,200	0	1,200
Total Building Improvement Services	38,850	6,200	0	6,200
Total Capital Outlay	38,850	42,800	32,986	9,814
<i>Total Expenditures</i>	42,381,475	42,382,488	41,752,720	629,768
<i>Excess of Revenues Under Expenditures</i>	(3,856,637)	(4,705,327)	(2,996,119)	1,709,208
Other Financing Sources (Uses)				
Advances In	18,386	17,981	18,496	515
Advances Out	(35,000)	(34,984)	(15,912)	19,072
Transfers Out	(135,000)	(135,000)	(135,000)	0
<i>Total Other Financing Sources (Uses)</i>	(151,614)	(152,003)	(132,416)	19,587
<i>Net Change in Fund Balance</i>	(4,008,251)	(4,857,330)	(3,128,535)	1,728,795
<i>Fund Balance Beginning of Year</i>	5,872,834	5,872,834	5,872,834	0
Prior Year Encumbrances Appropriated	1,693,129	1,693,129	1,693,129	0
<i>Fund Balance End of Year</i>	\$3,557,712	\$2,708,633	\$4,437,428	\$1,728,795

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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$3,799,733	\$3,715,683	\$3,738,110	\$22,427
Intergovernmental	485,310	474,575	477,439	2,864
<i>Total Revenues</i>	<u>4,285,043</u>	<u>4,190,258</u>	<u>4,215,549</u>	<u>25,291</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Central	5,000	5,000	3,622	1,378
Debt Service:				
Principal Retirement	3,056,820	3,056,820	2,890,000	166,820
Interest and Fiscal Charges	1,348,682	1,348,682	1,327,194	21,488
<i>Total Expenditures</i>	<u>4,410,502</u>	<u>4,410,502</u>	<u>4,220,816</u>	<u>189,686</u>
<i>Net Change in Fund Balance</i>	(125,459)	(220,244)	(5,267)	214,977
<i>Fund Balance Beginning of Year</i>	<u>2,959,285</u>	<u>2,959,285</u>	<u>2,959,285</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,833,826</u></u>	<u><u>\$2,739,041</u></u>	<u><u>\$2,954,018</u></u>	<u><u>\$214,977</u></u>

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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$74,678	\$81,625	\$81,655	\$30
Interest	541	591	591	0
Charges for Services	765,409	836,608	836,920	312
Miscellaneous	2,501	2,733	2,735	2
<i>Total Revenues</i>	843,129	921,557	921,901	344
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Operation of Food Services:				
Salaries and Wages	324,538	342,556	342,456	100
Fringe Benefits	148,709	152,666	152,666	0
Purchased Services	250	3,140	3,140	0
Materials and Supplies	379,085	419,553	418,849	704
Capital Outlay - New	500	70	70	0
<i>Total Expenditures</i>	853,082	917,985	917,181	804
<i>Excess of Revenues Over (Under) Expenditures</i>	(9,953)	3,572	4,720	1,148
Other Financing Sources (Uses)				
Advances In	0	0	13,000	13,000
Advances Out	0	(18,000)	(18,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	(18,000)	(5,000)	13,000
<i>Net Change in Fund Balance</i>	(9,953)	(14,428)	(280)	14,148
<i>Fund Balance Beginning of Year</i>	8,873	8,873	8,873	0
Prior Year Encumbrances Appropriated	5,835	5,835	5,835	0
<i>Fund Balance End of Year</i>	\$4,755	\$280	\$14,428	\$14,148

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$342	\$342	\$572	\$230
Contributions and Donations	6,200	6,200	10,372	4,172
<i>Total Revenues</i>	6,542	6,542	10,944	4,402
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	1	1	1	0
Operation of Non-Instructional Services:				
Community Service:				
Materials and Supplies	2,442	0	0	0
Extracurricular Activities:				
School and Public Service:				
Purchased Services	12,800	14,100	9,470	4,630
Capital Outlay:				
Site Improvement Services:				
Materials and Supplies	0	2,442	997	1,445
<i>Total Expenditures</i>	15,243	16,543	10,468	6,075
<i>Net Change in Fund Balance</i>	(8,701)	(10,001)	476	10,477
<i>Fund Balance Beginning of Year</i>	37,750	37,750	37,750	0
Prior Year Encumbrances Appropriated	500	500	500	0
<i>Fund Balance End of Year</i>	\$29,549	\$28,249	\$38,726	\$10,477

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$15,900	\$17,259	\$17,259	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	22,500	22,500	15,160	7,340
<i>Net Change in Fund Balance</i>	(6,600)	(5,241)	2,099	7,340
<i>Fund Balance Beginning of Year</i>	6,996	6,996	6,996	0
<i>Fund Balance End of Year</i>	\$396	\$1,755	\$9,095	\$7,340

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, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Tuition and Fees	\$76,000	\$63,295	\$69,873	\$6,578
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	60,000	60,000	50,440	9,560
Fringe Benefits	10,000	10,000	7,752	2,248
Materials and Supplies	0	19	19	0
Capital Outlay - New	9,000	9,000	0	9,000
Total Instruction	79,000	79,019	58,211	20,808
Support Services:				
Administration:				
Salaries and Wages	13,000	13,000	10,838	2,162
Fringe Benefits	2,800	2,800	1,760	1,040
Purchased Services	2,200	2,200	265	1,935
Materials and Supplies	1,000	981	25	956
Capital Outlay - New	5,000	5,000	0	5,000
Total Support Services	24,000	23,981	12,888	11,093
<i>Total Expenditures</i>	103,000	103,000	71,099	31,901
<i>Net Change in Fund Balance</i>	(27,000)	(39,705)	(1,226)	38,479
<i>Fund Balance Beginning of Year</i>	86,826	86,826	86,826	0
<i>Fund Balance End of Year</i>	\$59,826	\$47,121	\$85,600	\$38,479

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$325,500	\$304,708	\$294,399	(\$10,309)
Expenditures				
Current:				
Support Services:				
Administration:				
Salaries and Wages	59,777	62,763	62,763	0
Fringe Benefits	28,234	29,375	29,375	0
Total Support Services	88,011	92,138	92,138	0
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	161,076	155,586	155,586	0
Fringe Benefits	50,562	48,603	48,603	0
Purchased Services	12,390	12,044	11,542	502
Materials and Supplies	20,770	23,829	20,393	3,436
Capital Outlay - New	400	125	125	0
Total Operation of Non-Instructional Services	245,198	240,187	236,249	3,938
<i>Total Expenditures</i>	333,209	332,325	328,387	3,938
<i>Excess of Revenues Under Expenditures</i>	(7,709)	(27,617)	(33,988)	(6,371)
Other Financing Sources (Uses)				
Advances In	0	0	2,416	2,416
Advances Out	0	(7,500)	0	7,500
<i>Total Other Financing Sources (Uses)</i>	0	(7,500)	2,416	9,916
<i>Net Change in Fund Balance</i>	(7,709)	(35,117)	(31,572)	3,545
<i>Fund Balance Beginning of Year</i>	32,786	32,786	32,786	0
Prior Year Encumbrances Appropriated	7,460	7,460	7,460	0
<i>Fund Balance End of Year</i>	\$32,537	\$5,129	\$8,674	\$3,545

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$201,787	\$183,497	\$183,631	\$134
Extracurricular Activities	138,119	125,600	125,692	92
Contributions and Donations	57,338	52,141	52,179	38
Miscellaneous	2,756	2,506	2,508	2
<i>Total Revenues</i>	<u>400,000</u>	<u>363,744</u>	<u>364,010</u>	<u>266</u>
Expenditures				
Current:				
Support Services:				
Board of Education:				
Purchased Services	225	225	40	185
Operation of Non-Instructional Services:				
Materials and Supplies	4,524	4,851	3,055	1,796
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Materials and Supplies	419,505	436,393	325,760	110,633
Capital Outlay - New	15,499	22,388	16,113	6,275
Total Extracurricular Activities	<u>435,004</u>	<u>458,781</u>	<u>341,873</u>	<u>116,908</u>
<i>Total Expenditures</i>	<u>439,753</u>	<u>463,857</u>	<u>344,968</u>	<u>118,889</u>
<i>Net Change in Fund Balance</i>	(39,753)	(100,113)	19,042	119,155
<i>Fund Balance Beginning of Year</i>	182,765	182,765	182,765	0
Prior Year Encumbrances Appropriated	4,208	4,208	4,208	0
<i>Fund Balance End of Year</i>	<u>\$147,220</u>	<u>\$86,860</u>	<u>\$206,015</u>	<u>\$119,155</u>

Westlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Professional Development Grant Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$16,800	\$37,000	\$37,275	\$275
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	5,304	5,304	4,928	376
Support Services:				
Pupils:				
Materials and Supplies	5,000	5,000	516	4,484
Instructional Staff:				
Salaries and Wages	3,000	3,000	0	3,000
Fringe Benefits	463	463	0	463
Purchased Services	4,560	4,560	107	4,453
Materials and Supplies	1,705	1,705	0	1,705
Total Instructional Staff	9,728	9,728	107	9,621
Total Support Services	14,728	14,728	623	14,105
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	6,800	27,000	18,045	8,955
<i>Total Expenditures</i>	26,832	47,032	23,596	23,436
<i>Net Change in Fund Balance</i>	(10,032)	(10,032)	13,679	23,711
<i>Fund Balance Beginning of Year</i>	10,079	10,079	10,079	0
<i>Fund Balance End of Year</i>	\$47	\$47	\$23,758	\$23,711

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$180,268	\$193,931	\$193,931	\$0
Contributions and Donations	9,613	10,342	10,342	0
Miscellaneous	13,146	14,142	14,142	0
<i>Total Revenues</i>	203,027	218,415	218,415	0
Expenditures				
Current:				
Extracurricular Activities:				
Sports Oriented Activities:				
Salaries and Wages	36,806	40,000	5,595	34,405
Fringe Benefits	4,233	4,600	839	3,761
Purchased Services	75,637	82,200	65,606	16,594
Materials and Supplies	136,220	138,176	139,863	(1,687)
Capital Outlay - New	11,042	31,129	14,331	16,798
Capital Outlay - Replacement	9,662	10,500	0	10,500
Other	25,304	27,600	20,383	7,217
<i>Total Expenditures</i>	298,904	334,205	246,617	87,588
<i>Excess of Revenues Under Expenditures</i>	(95,877)	(115,790)	(28,202)	87,588
Other Financing Sources				
Transfers In	55,773	60,000	60,000	0
<i>Net Change in Fund Balance</i>	(40,104)	(55,790)	31,798	87,588
<i>Fund Balance Beginning of Year</i>	172,763	172,763	172,763	0
Prior Year Encumbrances Appropriated	2,705	2,705	2,705	0
<i>Fund Balance End of Year</i>	\$135,364	\$119,678	\$207,266	\$87,588

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$985,408	\$475,155	\$475,659	\$504
Interest	6,853	3,304	3,308	4
<i>Total Revenues</i>	<u>992,261</u>	<u>478,459</u>	<u>478,967</u>	<u>508</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	77,751	96,945	83,222	13,723
Fringe Benefits	37,953	55,970	48,345	7,625
Purchased Services	147,942	96,558	96,549	9
Materials and Supplies	272,245	314,197	311,009	3,188
Capital Outlay - New	14,400	69,898	69,828	70
<i>Total Expenditures</i>	<u>550,291</u>	<u>633,568</u>	<u>608,953</u>	<u>24,615</u>
<i>Net Change in Fund Balance</i>	441,970	(155,109)	(129,986)	25,123
<i>Fund Balance Beginning of Year</i>	107,157	107,157	107,157	0
Prior Year Encumbrances Appropriated	48,681	48,681	48,681	0
<i>Fund Balance End of Year</i>	<u>\$597,808</u>	<u>\$729</u>	<u>\$25,852</u>	<u>\$25,123</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	157	157	100	57
<i>Net Change in Fund Balance</i>	(157)	(157)	(100)	57
<i>Fund Balance Beginning of Year</i>	157	157	157	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$57	\$57

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, 2005*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$14,000</u>	<u>\$12,685</u>	<u>\$12,685</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Central:				
Salaries and Wages	22,406	22,382	8,829	13,553
Fringe Benefits	13,650	11,159	5,524	5,635
Purchased Services	<u>0</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
<i>Total Expenditures</i>	<u>36,056</u>	<u>34,741</u>	<u>15,553</u>	<u>19,188</u>
<i>Net Change in Fund Balance</i>	(22,056)	(22,056)	(2,868)	19,188
<i>Fund Balance Beginning of Year</i>	<u>22,056</u>	<u>22,056</u>	<u>22,056</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$19,188</u></u>	<u><u>\$19,188</u></u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$8,800</u>	<u>\$8,800</u>	<u>\$8,800</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	8,000	8,000	8,000	0
Purchased Services	2,300	2,300	2,151	149
Materials and Supplies	<u>2,118</u>	<u>2,118</u>	<u>1,618</u>	<u>500</u>
<i>Total Expenditures</i>	<u>12,418</u>	<u>12,418</u>	<u>11,769</u>	<u>649</u>
<i>Net Change in Fund Balance</i>	(3,618)	(3,618)	(2,969)	649
<i>Fund Balance Beginning of Year</i>	1	1	1	0
Prior Year Encumbrances Appropriated	<u>3,618</u>	<u>3,618</u>	<u>3,618</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$650</u>	<u>\$649</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$21,000	\$21,000	\$21,000	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	35,218	39,823	39,808	15
Capital Outlay - New	13,000	8,395	8,395	0
<i>Total Expenditures</i>	48,218	48,218	48,203	15
<i>Net Change in Fund Balance</i>	(27,218)	(27,218)	(27,203)	15
<i>Fund Balance Beginning of Year</i>	14,752	14,752	14,752	0
Prior Year Encumbrances Appropriated	12,467	12,467	12,467	0
<i>Fund Balance End of Year</i>	\$1	\$1	\$16	\$15

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$4,140	\$4,140	\$4,140	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,132	0	0	0
Purchased Services	0	686	686	0
Total Instruction	2,132	686	686	0
Support Services:				
Pupils:				
Fringe Benefits	114	0	0	0
Instructional Staff:				
Salaries and Wages	3,600	3,600	3,038	562
Fringe Benefits	540	540	469	71
Purchased Services	0	1,560	1,560	0
Total Instructional Staff	4,140	5,700	5,067	633
Total Support Services	4,254	5,700	5,067	633
<i>Total Expenditures</i>	6,386	6,386	5,753	633
<i>Net Change in Fund Balance</i>	(2,246)	(2,246)	(1,613)	633
<i>Fund Balance Beginning of Year</i>	2,246	2,246	2,246	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$633	\$633

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, 2005

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$55,697	\$55,697	\$55,697	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	48,245	48,245	48,245	0
Fringe Benefits	7,452	7,452	7,452	0
<i>Total Expenditures</i>	55,697	55,697	55,697	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Westlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Child Abuse Detection Training
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$240	\$240	\$240	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Other	240	240	240	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, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Safe Schools Help Line Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$7,770	\$3,770	\$3,770	\$0
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	3,770	3,770	3,770	0
<i>Net Change in Fund Balance</i>	4,000	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$4,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Westlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$91,391	\$88,845	\$88,845	\$0
Expenditures				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	53,885	55,971	38,824	17,147
Fringe Benefits	8,683	9,024	6,271	2,753
Total Instruction	62,568	64,995	45,095	19,900
Support Services:				
Instructional Staff:				
Salaries and Wages	44,526	42,794	36,766	6,028
Fringe Benefits	7,244	7,010	5,949	1,061
Purchased Services	1,976	1,515	1,513	2
Total Support Services	53,746	51,319	44,228	7,091
<i>Total Expenditures</i>	116,314	116,314	89,323	26,991
<i>Excess of Revenues Under Expenditures</i>	(24,923)	(27,469)	(478)	26,991
Other Financing Sources (Uses)				
Advances In	510	496	496	0
Advances Out	0	(496)	(496)	0
<i>Total Other Financing Sources (Uses)</i>	510	0	0	0
<i>Net Change in Fund Balance</i>	(24,413)	(27,469)	(478)	26,991
<i>Fund Balance Beginning of Year</i>	27,469	27,469	27,469	0
<i>Fund Balance End of Year</i>	\$3,056	\$0	\$26,991	\$26,991

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$773,465	\$655,808	\$655,808	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	6,262	6,262	6,262	0
Fringe Benefits	968	968	968	0
Purchased Services	611,793	491,342	483,068	8,274
Materials and Supplies	6,000	7,396	6,963	433
Total Instruction	625,023	505,968	497,261	8,707
Support Services:				
Pupils:				
Purchased Services	25,000	25,000	25,000	0
Instructional Staff:				
Salaries and Wages	32,382	32,113	32,108	5
Fringe Benefits	31,463	34,152	29,821	4,331
Purchased Services	40,207	39,185	34,969	4,216
Materials and Supplies	614	614	612	2
Total Instructional Staff	104,666	106,064	97,510	8,554
Total Support Services	129,666	131,064	122,510	8,554
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	111,357	110,384	110,384	0
Materials and Supplies	0	973	966	7
Total Operation of Non-Instructional Services:	111,357	111,357	111,350	7
<i>Total Expenditures</i>	866,046	748,389	731,121	17,268
<i>Net Change in Fund Balance</i>	(92,581)	(92,581)	(75,313)	17,268
<i>Fund Balance Beginning of Year</i>	19,112	19,112	19,112	0
Prior Year Encumbrances Appropriated	73,469	73,469	73,469	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$17,268	\$17,268

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>786</u>	<u>786</u>	<u>786</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$786</u></u>	<u><u>\$786</u></u>	<u><u>\$786</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
Title V Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$24,910	\$19,021	\$19,021	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	13,950	13,950	13,950	0
Fringe Benefits	2,079	2,079	2,079	0
Total Support Services	16,029	16,029	16,029	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	7,654	7,654	7,629	25
<i>Total Expenditures</i>	23,683	23,683	23,658	25
<i>Net Change in Fund Balance</i>	1,227	(4,662)	(4,637)	25
<i>Fund Balance Beginning of Year</i>	62	62	62	0
Prior Year Encumbrances Appropriated	4,600	4,600	4,600	0
<i>Fund Balance End of Year</i>	\$5,889	\$0	\$25	\$25

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$9,541	\$9,541	\$9,541	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	8,908	8,908	8,908	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	633	633	633	0
<i>Total Expenditures</i>	9,541	9,541	9,541	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Westlake City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Early Childhood Education Development Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$24,249	\$21,626	\$21,626	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Materials and Supplies	4,803	5,356	5,104	252
Support Services:				
Pupils:				
Salaries and Wages	14,074	10,421	10,292	129
Fringe Benefits	5,536	5,551	4,743	808
Total Pupils:	19,610	15,972	15,035	937
Instructional Staff:				
Purchased Services	0	1,815	1,615	200
Total Support Services	19,610	17,787	16,650	1,137
<i>Total Expenditures</i>	24,413	23,143	21,754	1,389
<i>Net Change in Fund Balance</i>	(164)	(1,517)	(128)	1,389
<i>Fund Balance Beginning of Year</i>	1,517	1,517	1,517	0
<i>Fund Balance End of Year</i>	\$1,353	\$0	\$1,389	\$1,389

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, 2005

	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>	2,089	2,089	2,089	0
<i>Fund Balance End of Year</i>	\$2,089	\$2,089	\$2,089	\$0

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$76,000	\$74,793	\$74,794	\$1
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	34,160	34,735	34,735	0
Fringe Benefits	9,299	9,299	9,299	0
Total Instruction	43,459	44,034	44,034	0
Support Services:				
Instructional Staff:				
Salaries and Wages	0	7,275	5,588	1,687
Fringe Benefits	0	1,195	863	332
Purchased Services	38,695	29,295	29,295	0
Materials and Supplies	8,000	7,979	7,977	2
Total Support Services	46,695	45,744	43,723	2,021
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,531	1,537	1,537	0
Materials and Supplies	6	0	0	0
Total Operation of Non-Instructional Services	1,537	1,537	1,537	0
<i>Total Expenditures</i>	91,691	91,315	89,294	2,021
<i>Net Change in Fund Balance</i>	(15,691)	(16,522)	(14,500)	2,022
<i>Fund Balance Beginning of Year</i>	912	912	912	0
Prior Year Encumbrances Appropriated	15,610	15,610	15,610	0
<i>Fund Balance End of Year</i>	\$831	\$0	\$2,022	\$2,022

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$52,500	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	1,773	0	0	0
Fringe Benefits	557			0
Total Instruction	2,330	0	0	0
Support Services:				
Pupils:				
Materials and Supplies	476	432	432	0
Instructional Staff:				
Fringe Benefits	268	0	0	0
Purchased Services	1,804	4,446	4,446	0
Total Instructional Staff	2,072	4,446	4,446	0
Total Support Services	2,548	4,878	4,878	0
<i>Total Expenditures</i>	4,878	4,878	4,878	0
<i>Net Change in Fund Balance</i>	47,622	(4,878)	(4,878)	0
<i>Fund Balance Beginning of Year</i>	3,672	3,672	3,672	0
Prior Year Encumbrances Appropriated	1,206	1,206	1,206	0
<i>Fund Balance End of Year</i>	\$52,500	\$0	\$0	\$0

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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$3,175	\$366	\$533	\$167
Expenditures				
Current:				
Instruction:				
Regular				
Capital Outlay - New	5,000	0	0	0
Capital Outlay:				
Site Improvement Services:				
Purchased Services	252,336	82,336	79,725	2,611
Capital Outlay - New	196,481	46,481	46,481	0
Total Capital Outlay	448,817	128,817	126,206	2,611
<i>Total Expenditures</i>	453,817	128,817	126,206	2,611
<i>Excess of Revenues Under Expenditures</i>	(450,642)	(128,451)	(125,673)	2,778
Other Financing Sources				
Transfers In	446,825	75,000	75,000	0
<i>Net Change in Fund Balance</i>	(3,817)	(53,451)	(50,673)	2,778
<i>Fund Balance Beginning of Year</i>	172	172	172	0
Prior Year Encumbrances Appropriated	98,817	98,817	98,817	0
<i>Fund Balance End of Year</i>	<u>\$95,172</u>	<u>\$45,538</u>	<u>\$48,316</u>	<u>\$2,778</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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$50,000	\$65,412	\$67,381	\$1,969
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	25,000	25,000	0	25,000
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	3,500	3,500	1,495	2,005
Materials and Supplies	2,556	2,556	0	2,556
Capital Outlay - New	5,000	5,000	500	4,500
Total Site Acquisition Services	11,056	11,056	1,995	9,061
Architecture and Engineering Services:				
Purchased Services	0	4,917	4,917	0
Building Acquisition and Construction Services:				
Purchased Services	5,729,740	5,799,486	5,780,957	18,529
Materials and Supplies	15,000	15,000	12,941	2,059
Capital Outlay - New	419,000	344,337	343,902	435
Total Building Acquisition and Construction Services	6,163,740	6,158,823	6,137,800	21,023
Building Improvement Services:				
Capital Outlay - Replacement	25,000	25,000	0	25,000
Total Capital Outlay	6,199,796	6,199,796	6,144,712	55,084
<i>Total Expenditures</i>	6,224,796	6,224,796	6,144,712	80,084
<i>Net Change in Fund Balance</i>	(6,174,796)	(6,159,384)	(6,077,331)	82,053
<i>Fund Balance Beginning of Year</i>	646,335	646,335	646,335	0
Prior Year Encumbrances Appropriated	5,581,296	5,581,296	5,581,296	0
<i>Fund Balance End of Year</i>	\$52,835	\$68,247	\$150,300	\$82,053

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, 2005*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$36,225	\$36,225	\$36,225	\$0
Expenditures				
Current:				
Instruction:				
Regular				
Materials and Supplies	0	1,949	1,949	0
Capital Outlay - New	36,225	34,276	34,146	130
<i>Total Expenditures</i>	36,225	36,225	36,095	130
<i>Net Change in Fund Balance</i>	0	0	130	130
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$130	\$130

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, 2005

	<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	\$4,487,000	\$5,769,956	\$5,769,956	\$0
Expenses				
Purchased Services	321,056	321,056	321,056	0
Claims	1,010,557	5,548,432	5,548,432	0
<i>Total Expenses</i>	<u>1,331,613</u>	<u>5,869,488</u>	<u>5,869,488</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	3,155,387	(99,532)	(99,532)	0
<i>Fund Equity Beginning of Year</i>	1,120,160	1,120,160	1,120,160	0
Prior Year Encumbrances Appropriated	<u>31,613</u>	<u>31,613</u>	<u>31,613</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$4,307,160</u>	<u>\$1,052,241</u>	<u>\$1,052,241</u>	<u>\$0</u>

Westlake City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$0	\$565	\$565
Expenses				
Current:				
Instruction:				
Other:				
Purchased Services	1,000	1,000	0	1,000
<i>Net Change in Fund Equity</i>	(1,000)	(1,000)	565	1,565
<i>Fund Equity Beginning of Year</i>	27,415	27,415	27,415	0
<i>Fund Equity End of Year</i>	<u>\$26,415</u>	<u>\$26,415</u>	<u>\$27,980</u>	<u>\$1,565</u>

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

	2005	2004	2003	2002	2001
Program Revenues					
Charges for Services and Sales	\$1,828,264	\$1,843,456	\$1,759,587	\$1,653,881	\$1,797,390
Operating Grants, Interest and Contributions	1,754,486	1,740,035	1,502,437	1,276,282	1,213,814
Capital Grants and Contributions	36,225	19,066	0	47,257	243,121
General Revenues					
Taxes (1)	34,136,507	36,453,309	31,338,055	38,126,305	32,131,952
Intergovernmental	7,522,123	7,315,688	7,356,828	6,865,844	6,222,333
Investment Earnings	397,000	282,326	407,405	370,873	773,708
Miscellaneous	126,292	91,659	125,189	52,456	1,124
<i>Total</i>	<u>\$45,800,897</u>	<u>\$47,745,539</u>	<u>\$42,489,501</u>	<u>\$48,392,898</u>	<u>\$42,383,442</u>
Expenses					
Instruction:					
Regular	\$20,578,822	\$20,669,591	\$18,909,990	\$18,561,778	\$17,899,511
Special	3,801,153	3,597,814	3,405,179	3,320,191	3,096,309
Vocational	475,462	469,663	392,114	308,959	985,007
Adult/Continuing	45,809	70,955	58,192	39,473	28,445
Support Services:					
Pupils	2,625,987	2,481,334	2,184,689	2,187,073	2,052,453
Instructional Staff	2,790,065	2,897,289	1,977,693	1,987,734	1,830,028
Board of Education	29,261	2,066	79,923	27,743	15,090
Administration	2,890,037	2,884,080	2,674,304	2,505,538	2,352,216
Fiscal	1,071,904	1,003,922	936,066	1,072,157	785,636
Business	439,462	314,645	358,033	402,168	336,837
Operation and Maintenance of Plant	3,745,704	3,682,109	3,358,389	3,185,520	3,496,070
Pupil Transportation	3,752,277	3,408,168	3,456,556	2,766,196	3,046,466
Central	187,161	147,463	134,189	145,174	91,221
Operation of Non-Instructional Services:					
Food Service Operation	961,507	935,514	816,766	786,465	827,579
Other Non-Instructional Services	978,734	758,102	802,918	711,847	758,908
Extracurricular Activities	1,359,205	1,386,634	1,192,747	1,382,233	1,134,802
Debt Service	1,436,038	1,561,790	1,773,682	1,687,411	1,778,329
<i>Total</i>	<u>\$47,168,588</u>	<u>\$46,271,139</u>	<u>\$42,511,430</u>	<u>\$41,077,660</u>	<u>\$40,514,907</u>

Source: School District Financial Records

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

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

	2005	2004	2003	2002	2001
Revenues					
Taxes (2)	\$33,898,407	\$36,863,886	\$30,876,368	\$37,510,455	\$31,726,503
Intergovernmental	9,120,922	9,041,153	8,776,049	8,120,314	7,646,141
Interest	397,000	284,238	407,405	371,759	784,102
Charges for Services	873,361	773,199	734,988	715,278	743,805
Tuition and Fees	603,441	726,473	715,411	628,830	808,238
Rentals	31,839	54,545	50,350	55,842	65,484
Extracurricular Activities	319,623	289,239	258,838	253,931	142,395
Contributions and Donations	72,893	84,224	32,156	66,691	31,639
Miscellaneous	126,292	91,659	125,189	52,456	49,335
<i>Total</i>	<u>\$45,443,778</u>	<u>\$48,208,616</u>	<u>\$41,976,754</u>	<u>\$47,775,556</u>	<u>\$41,997,642</u>
Expenditures					
Current:					
Instruction:					
Regular	\$20,122,682	\$19,966,271	\$18,057,551	\$18,265,000	\$16,551,332
Special	3,673,697	3,450,581	3,372,679	3,219,762	2,988,533
Vocational	463,537	456,127	382,559	293,653	986,123
Adult/Continuing	45,101	64,786	58,078	39,473	28,445
Support Services:					
Pupils	2,528,374	2,364,661	2,071,929	2,067,422	1,956,645
Instructional Staff	2,798,253	2,572,913	1,998,084	1,946,930	1,725,845
Board of Education	29,985	1,342	32,633	27,743	15,090
Administration	2,893,638	2,693,589	2,563,907	2,262,978	2,261,432
Fiscal	1,090,299	984,521	914,567	1,063,295	784,050
Business	465,880	280,150	260,981	279,895	662,980
Operation and Maintenance of Plant	3,981,154	3,485,862	3,230,539	3,165,275	3,183,416
Pupil Transportation	3,557,715	3,147,406	3,307,033	2,649,378	3,040,499
Central	189,052	161,673	128,603	135,190	84,832
Operation of Non-Instructional Services:					
Food Service Operation	992,600	873,448	796,763	813,300	741,087
Other Non-Instructional Services	1,044,258	666,651	756,871	701,145	727,858
Extracurricular Activities	1,344,416	1,363,726	1,170,928	1,362,764	1,137,003
Intergovernmental	0	0	0	0	0
Capital Outlay	4,939,263	4,079,092	1,788,880	518,067	1,712,087
Debt Service	4,228,128	4,038,297	3,805,778	3,454,997	3,401,128
<i>Total</i>	<u>\$54,388,032</u>	<u>\$50,651,096</u>	<u>\$44,698,363</u>	<u>\$42,266,267</u>	<u>\$41,988,385</u>

Source: School District Financial Records

- (1) The following are included as governmental funds: general fund, debt service funds, special revenue funds and capital projects funds.
- (2) Fluctuations in property tax revenues are caused by the vacation in the amounts which are available as an advance from the County Auditor at year end.

2000	1999	1998	1997	1996
\$26,644,336	\$28,845,535	\$26,967,789	\$24,988,210	\$22,013,092
7,003,162	6,382,395	5,870,793	5,555,534	5,544,007
689,686	810,284	1,840,532	1,172,142	202,793
20,198	28,019	25,896	23,699	16,244
328,287	273,435	290,702	560,992	478,753
87,456	76,975	104,055	52,751	29,826
240,892	239,022	219,330	165,036	192,361
296,116	50,678	42,913	17,268	39,038
119,658	73,652	243,689	213,407	8,865
<u>\$35,429,791</u>	<u>\$36,779,995</u>	<u>\$35,605,699</u>	<u>\$32,749,039</u>	<u>\$28,524,979</u>
\$15,188,012	\$14,656,987	\$14,265,601	\$13,686,849	\$13,478,484
3,094,834	2,896,480	2,341,403	1,951,485	1,962,593
675,150	666,356	596,283	698,736	508,791
34,635	24,722	22,481	18,267	16,614
1,781,213	1,683,317	1,472,696	1,361,314	1,292,277
1,497,594	1,368,801	1,474,157	1,724,691	1,462,585
14,909	17,398	19,872	14,010	20,416
2,400,178	2,064,575	1,969,681	1,768,986	1,719,492
613,969	805,242	700,679	662,472	624,936
362,224	301,283	290,009	315,293	268,166
2,810,122	2,890,879	2,798,599	2,814,017	2,581,797
2,682,571	2,108,723	2,079,761	2,327,391	1,787,887
102,784	105,006	57,543	39,082	41,051
N/A	N/A	N/A	N/A	N/A
400,655	419,219	367,160	328,377	310,553
1,135,474	1,052,473	1,073,022	1,061,086	978,195
0	0	7,250,000	0	0
1,770,882	8,969,779	14,888,368	2,833,150	274,108
3,257,634	3,142,116	3,083,384	976,831	516,023
<u>\$37,822,840</u>	<u>\$43,173,356</u>	<u>\$54,750,699</u>	<u>\$32,582,037</u>	<u>\$27,843,968</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
2004	\$39,699,267	\$2,214,049	\$41,913,316	\$37,878,790
2003	38,967,423	2,620,334	41,587,757	37,394,113
2002	38,158,204	2,854,274	41,012,478	35,859,530
2001	37,912,913	1,892,060	39,804,973	35,401,042
2000	32,458,538	889,270	33,347,808	31,019,381
1999	31,265,984	1,225,249	32,491,233	29,927,991
1998	30,350,117	1,415,407	31,765,524	29,635,427
1997	29,222,512	1,299,228	30,521,740	28,732,644
1996	26,713,386	786,524	27,499,910	26,054,909
1995	23,524,540	889,663	24,414,203	23,215,155

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. 2005 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
95.4%	\$1,361,128	\$39,239,918	98.8%
96.0	1,401,979	38,796,092	99.6
94.0	1,685,033	37,544,563	98.4
93.4	1,219,689	36,620,731	96.6
95.6	628,880	31,648,261	97.5
95.7	709,894	30,637,885	98.0
97.6	746,844	30,382,271	100.1
98.3	534,241	29,266,885	100.2
97.5	463,584	26,518,493	99.3
98.7	454,310	23,669,465	100.6

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)
2005	\$1,209,509,470	\$3,455,741,343	\$22,225,550	\$25,256,307
2004	1,181,766,920	3,376,476,914	22,652,240	25,741,182
2003	1,092,555,030	3,121,585,800	22,213,040	25,242,091
2002	1,072,485,940	3,064,245,543	23,522,370	26,729,966
2001	1,028,659,760	2,939,027,886	30,491,100	34,648,977
2000	893,396,390	2,552,561,114	30,889,430	35,101,625
1999	852,394,210	2,435,412,029	33,579,300	38,158,295
1998	829,261,960	2,369,318,457	34,326,270	39,007,125
1997	761,751,550	2,176,433,000	35,417,680	40,247,364
1996	738,781,830	2,110,805,229	35,226,690	40,030,330

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

Tangible Personal Property		Total	
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
\$64,928,167	\$282,296,378	\$1,296,663,187	\$3,763,294,028
67,303,512	292,645,704	1,271,722,672	3,694,863,800
74,078,302	322,079,574	1,188,846,372	3,468,907,465
77,021,986	308,087,944	1,173,030,296	3,399,063,453
74,494,491	297,973,008	1,133,645,351	3,271,649,871
69,493,252	277,973,008	993,779,072	2,865,635,747
63,939,231	255,756,924	949,912,741	2,729,327,248
64,750,544	259,002,176	928,338,774	2,667,327,758
65,660,169	262,640,676	862,829,399	2,479,321,040
57,920,927	231,683,708	831,929,447	2,382,519,267

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
2005	\$60.70	\$2.50	\$18.30	\$10.10	\$91.60	\$3.20	\$0.88	\$1.00	\$5.08
2004	61.00	2.50	18.00	10.10	91.60	3.50	0.91	1.10	5.51
2003	61.20	2.00	16.20	10.30	89.70	3.70	0.91	1.30	5.91
2002	62.60	2.00	16.20	10.30	91.10	3.10	0.86	1.30	5.26
2001	60.70	2.00	16.20	10.30	89.20	3.20	0.27	1.30	4.77
2000	63.10	2.00	15.30	10.50	90.90	3.60	0.27	1.62	5.49
1999	61.10	2.00	15.30	10.50	88.90	3.60	0.72	1.62	5.94
1998	61.00	2.00	16.60	10.20	89.80	3.50	0.60	1.32	5.42
1997	60.70	2.00	16.60	10.80	90.10	3.20	0.90	2.06	6.16
1996	58.30	2.00	16.60	10.90	87.80	0.80	0.87	2.22	3.89

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
2005	\$27,753,180	\$1,296,663,187	31,719	2.14%	\$874.97
2004	30,461,628	1,271,722,672	31,719	2.40	960.36
2003	33,549,610	1,188,846,372	31,719	2.82	1,057.71
2002	26,841,475	1,173,030,296	31,719	2.29	846.23
2001	29,087,636	1,133,645,351	31,719	2.57	917.04
2000	31,065,456	993,779,072	27,018	3.13	1,149.81
1999	32,592,830	949,912,741	27,018	3.43	1,206.34
1998	34,270,064	928,338,774	27,018	3.69	1,268.42
1997	27,553,761	862,829,399	27,018	3.19	1,019.83
1996	1,953,504	831,929,447	27,018	0.23	72.30

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, 2005

Assessed Valuation	<u>\$1,296,663,187</u>
Debt Limit - 9% of Assessed Value (1)	\$116,699,687
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	\$31,250,000
Less: Amount Available in Debt Service Fund	<u>(3,496,820)</u>
Amount of Debt Subject to the Limit	<u>27,753,180</u>
Overall Debt Margin	<u>\$88,946,507</u>
Debt Limit - .10% of Assessed Value (1)	\$1,296,663
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$1,296,663</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, 2004

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct:			
Westlake City School District	<u>\$31,250,000</u>	<u>100.00%</u>	<u>\$31,250,000</u>
Overlapping:			
Cuyahoga County	249,645,029	4.23	10,559,985
Regional Transit Authority	147,025,000	4.23	6,219,158
Westlake City	<u>27,289,197</u>	100.00	<u>27,289,197</u>
Total Overlapping	<u>423,959,226</u>		<u>44,068,339</u>
Total	<u><u>\$455,209,226</u></u>		<u><u>\$75,318,339</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 2004 collection year.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
2005	\$2,890,000	\$1,327,194	\$4,217,194	\$54,388,032	7.75%
2004	2,225,000	1,548,034	3,773,034	50,651,096	7.45
2003	1,835,000	1,672,185	3,507,185	44,698,363	7.85
2002	1,685,000	1,669,923	3,354,923	42,266,267	7.94
2001	1,545,000	1,754,290	3,299,290	41,988,385	7.86
2000	1,420,000	1,826,424	3,246,424	37,822,840	8.58
1999	1,240,000	1,890,841	3,130,841	43,173,356	7.25
1998	1,050,000	1,790,341	2,840,341	54,750,699	5.19
1997	280,000	230,314	510,314	32,582,037	1.57
1996	280,000	196,687	476,687	27,843,968	1.71

Source: School District Financial Records

Westlake City School District
Demographic Statistics
Last Ten Years

Year	Cuyahoga County Population (1)	Westlake City Population (1)	School Enrollment (2)	Unemployment Rate (3)
2005	1,393,978	31,719	3,994	5.7%
2004	1,379,049	31,719	3,917	6.6
2003	1,380,421	31,719	3,880	6.7
2002	1,393,978	31,719	3,743	4.6
2001	1,380,421	31,719	3,754	4.5
2000	1,386,096	27,018	3,751	4.5
1999	1,386,096	27,018	3,670	4.6
1998	1,397,694	27,018	3,643	4.4
1997	1,398,169	27,018	3,751	5.8
1996	1,403,217	27,018	3,745	5.2

(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
2004	\$1,181,766,920	\$101,838,959	\$49,408,615	\$104,428,763
2003	1,092,555,030	97,238,973	41,094,736	47,015,774
2002	1,072,485,940	95,761,917	44,684,226	42,101,533
2001	1,028,659,760	63,893,269	52,105,345	41,894,175
2000	893,396,390	61,942,764	52,991,580	30,588,215
1999	852,394,210	57,021,360	80,928,725	31,395,240
1998	829,261,960	56,770,353	62,927,295	121,084,840
1997	761,751,550	53,941,971	37,638,725	42,835,925
1996	738,781,830	27,068,211	43,690,510	12,431,385
1995	704,416,260	22,458,573	38,704,215	17,720,195

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, 2004

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Toledo Lucas County Port Authority	\$20,191,180	1.67%
Westlake Center Association Ltd.	9,030,950	0.75
University Hospitals	8,898,340	0.74
Energizer Battery Manufacturing	7,381,190	0.61
Remington Inc.	5,901,670	0.49
Crossings Village LLC	5,560,420	0.46
Sturbridge Square Apartments	5,507,220	0.46
King James Point, LLC	5,440,030	0.45
WXZ Arbors, LLC	<u>5,361,760</u>	<u>0.44</u>
Total	<u><u>\$73,272,760</u></u>	<u><u>6.07%</u></u>

Source: Cuyahoga County Auditor

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

Westlake City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2004

Name of Taxpayer	Assessed Value (1)	Percent of Personal Property Assessed Value
USG Interiors, Incorporated	\$10,366,110	15.97%
Bonnie Bell, Incorporated	4,666,140	7.19
Eveready Battery Company	3,452,380	5.32
John M. Lance Ford, LLC	2,666,329	4.11
Aluminum Line Products Company	2,127,660	3.28
True Value Company	2,097,895	3.23
Nick Mayer Lincoln Mercury	1,333,120	2.05
Riser Foods Company	1,201,670	1.85
Koyo Corporation of USA	1,123,110	1.73
Pipeline Development Company	1,010,070	1.56
Total	<u>\$30,044,484</u>	<u>46.29%</u>

Source: Cuyahoga County Auditor

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

Westlake City School District

Principal Taxpayers

Public Utilities Tax

December 31, 2004

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utilities Assessed Value</u>
Cleveland Electric Illuminating Company	\$11,843,430	53.29%
Ohio Bell Telephone Company	5,713,280	25.71
Columbia Gas of Ohio, Incorporated	<u>1,916,150</u>	<u>8.62</u>
Total	<u>\$19,472,860</u>	<u>87.62%</u>

Source: Cuyahoga County Auditor

(1) Assessed values are for the 2005 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>
2005	\$41,500,083	3,994	\$10,391
2004	39,274,999	3,917	10,027
2003	36,103,310	3,880	9,305
2002	37,201,906	3,743	9,939
2001	34,070,826	3,754	9,076
2000	31,289,762	3,751	8,342
1999	29,686,458	3,670	8,089
1998	28,160,691	3,643	7,730
1997	27,376,821	3,751	7,299
1996	26,185,377	3,745	6,992

Source: School District Financial Records.

Westlake City School District
Teacher Education and Experience
 June 30, 2005

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	16	5.88%
Bachelor + 10	8	2.94
Bachelor + 20	7	2.57
Bachelor + 30	45	16.54
Master's Degree	63	23.16
Master's + 10	36	13.24
Master's + 20	35	12.87
Master's + 30	<u>62</u>	<u>22.79</u>
Total	<u><u>272</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	36	13.24%
6 - 10	58	21.32
11 and Over	<u>178</u>	<u>65.44</u>
	<u><u>272</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

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**Auditor of State
Betty Montgomery**

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800-282-0370

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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 12, 2006**