

**WESTLAKE CITY SCHOOL DISTRICT
WESTLAKE, OHIO**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE
FISCAL YEAR ENDED JUNE 30, 2019**



We Educate For Excellence...

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

WESTLAKE CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2019



PREPARED BY
TREASURER'S DEPARTMENT
TODD L. HOPKINS, TREASURER/CFO

24525 HILLIARD BLVD.

WESTLAKE, OHIO 44145

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WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION

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Todd L. Hopkins
CFO/Treasurer
24525 Hilliard Blvd.
Westlake, OH 44145
(440) 835-6301
Fax (440) 871-6034

December 18, 2019

Board of Education Members
Westlake City School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Westlake City School District (the “District”) for the fiscal year ended June 30, 2019. This CAFR includes an opinion from the State Auditor and conforms to accounting principles generally accepted in the United States of America as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Westlake City School District with comprehensive financial data in a format which will enable them to gain an understanding of the District’s financial affairs. Copies will be made available to the Porter Public Library, major taxpayers, financial rating services and other interested parties.

The Reporting Entity

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

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

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

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

Organizational Structure

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

The District provides education to 3,428 students in grades kindergarten through twelfth. The District provides general education, special education and vocational type academic programs. The District's enrollment has declined slightly over the past couple years but is projected to remain stable in the foreseeable future.

The Westlake City School District

The Westlake City School District (formerly known as the Dover School District) was originally organized in 1825. Later in 1913, the school burned and a new school building was constructed to educate students. Over the years, the District has grown in size and now supports seven instructional buildings: high school (inclusive of a Performing Arts Center and Television studio), middle school, intermediate school and four elementary buildings. The schools range in age from 1 to 60 years old. The District operates a variety of non-classroom facilities that consist of athletic fields, an administration facility and a transportation depot.

Economic Condition and Outlook

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

The U.S. Census Bureau estimates that the District's population as of July 1, 2018 was 32,233. See **Economic and Demographic Information – Population** in the statistical section. Its area is approximately 15.9 square miles. Land use, as measured by the assessed value of real property, is presented in the following table.

Percent of Assessed Valuation of Real Property

Residential	71.89%
Commercial/Industrial	26.15
Public Utility	1.95
Agricultural	0.00
Undeveloped	(a)

(a) Included in above categories.

Source: County Fiscal Officer.

The District's general area is served by diversified transportation facilities, including three State and one U.S. highway and I-80, I-480 and I-90 (located within the City). It is served by Norfolk and Southern Railroad and is adjacent to areas served by Conrail and Amtrak, and is also served by passenger air services at Cleveland Hopkins International Airport located seven miles from the City and by Burke Lakefront Airport located 15 miles from the City. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

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

One semi-daily (deliver 4 days a week) newspaper and two weekly newspapers serve the District. The District is within the broadcast area of numerous television stations and AM and FM radio stations. Multichannel cable TV service, including educational, governmental and public access channels, is provided by AT&T U-verse, Spectrum (formerly known as Time Warner Cable) and WOW (Wide Open West) Cable.

Forty-three acute care hospitals with total capacity of over 10,000 beds serve the northeast Ohio area. Hospitals serving the District's area include St. John Medical Center (located in the School District), Fairview General Hospital (located nine miles southeast of the City), and the main offices of the Cleveland Clinic and University Hospitals (located in the City of Cleveland).

Within commuting distance are several public and private two-year and four-year colleges and universities, including Baldwin Wallace University, Case Western Reserve University, the Cleveland Institute of Art, the Cleveland Institute of Music, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lakeland Community College, Lorain County Community College, Notre Dame College, Oberlin College, the University of Akron and Ursuline College.

The District is served by varied recreational facilities. The City operates a park system of four parks with a total of 290 acres, offering facilities that include playgrounds, tennis courts, baseball diamonds, an outdoor swimming pool, picnic areas and pavilions, an entertainment pavilion, a community cabin and a nature park. Additionally, the City purchased an existing nine-hole golf course in 1988 and also purchased, in 1990, an adjacent 18-hole golf course, which were reconfigured to create a 27-hole golf course that the City operates.

The City is one of three cities (the Cities of Rocky River and Fairview Park being the others) that operate the 14-acre Tri-City Park offering a baseball diamond, soccer field, pavilion, playground area, parking facility, six tennis courts and six pickleball courts.

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

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

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

In addition to new commercial/industrial development, the City approved plans for several additional upscale subdivisions throughout the City. Strong housing values continue to provide evidence of this upscale community.

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

Major Initiatives

Currently, 3,428 students are enrolled in the District's seven schools (four elementary schools, one intermediate school, one middle school, and one high school), which figure includes District residents attending classes at the West Shore Career Technical District (described further below). The District employs (full- and part-time) 295 professional staff members and 244 non-teaching and support staff employees.

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

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

Approximately 82% of the teaching staff have master's degrees. The District's faculty has an average of 19 years of teaching experience, compared to the statewide average of 14.6 years (as of fiscal year 2019).

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

The District is one of the school districts in the West Shore Career Technical District (West Shore Career Tech), which also includes the Bay Village, Rocky River, and Lakewood City School Districts. In 2019, Lakewood High School has an enrollment of 1402. The vocational program has 445 full-time and part-time students, including 39 from the School District, enrolled in either a two-year intensive training or one-year work/study program and elective courses.

The District is characterized by high academic performance. Students consistently score well above the state average at the third through high school levels on the State achievement tests. The High School students score above the national and State averages on the SAT and the ACT tests, as discussed further below. The High School consistently ranks among the top school districts for the annual number of commended, semi-finalist and finalist categories in the National Merit Scholarship competition. In 2018, six students were identified as finalist, nine semi-finalists and an additional student was named as commended scholars. Three were merit scholarship winners. One hundred seventeen students were named High School Advanced Placement Scholars, fifteen were recognized as AP Scholars with Honors, sixty-three were honored as AP Scholars with Distinction, and thirteen were named National AP Scholars. Worldwide approximately 13% of students taking AP exams earn this distinction. The high school is in the fifth year of being authorized as one of ten International Baccalaureate Diploma Programmes in northeast Ohio.

The High School students are responsible for completing 60 hours of Service Learning activities as a requirement for graduation. Each graduating class accrues in excess of 20,000 hours of community service as part of this program.

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

Strong Academic Profile

The high school offers 20 Advanced Placement (AP) courses, 14 International Baccalaureate (IB) courses and 29 honors courses in a variety of disciplines.

88 students earned college credit through College Credit Plus program. Westlake High School currently offers 19 college level courses in English, American and World History, Psychology, Spanish, Sociology, Biology and Calculus.

High School students performed above state averages on the SAT and ACT examinations. The Class of 2018's average ACT score was 23.3 and average SAT score was 1243, each of which was above national and State averages.

The District offers an introductory second language learning program at the elementary level to provide students with a foundation for future learning of second and/or third languages. At the intermediate level, students are given the option to continue with the language they studied at the elementary level or to explore another language. At the middle and high school levels, students are given a choice of languages to study.

Westlake High School (WHS) offers more than 20 visual arts and music courses.

Lee Burneson Middle School students are offered high school credit courses in Spanish, French, Algebra I, Honors Geometry, Honors Algebra II and Honors Physical Science. 256 Middle School students earned high school credit during academic year 2019-20 – 71 in World Language, 13 in Honors Physical Science, 24 in Honors Geometry, 102 in Algebra I, and 4 in Algebra II.

More than 51 WHS students served as peer tutors before and throughout the school day for their classmates.

Among 2019 graduates, 86% enrolled in higher education, with 74% attending four-year colleges and 12% attending two-year colleges.

In 2019, two students earned a perfect score on the ACT.

The High School television station, WHBS-TV, provides students a unique opportunity to experience a working television studio. The station has earned Emmy nominations from the National Academy of Television Arts and Sciences, Midwest Region.

Westlake School District offers 26 different opportunities to participate in Interscholastic sports in grades seven through twelve. More than 1000 students participate in at least one sport per year.

Following academic year 2018-19, 100% of the District's 3rd graders met the criteria for promotion to fourth grade under the State's "Third Grade Reading Guarantee".

Awards and Recognition

- The Westlake City School district was awarded a \$17,575 Martha Holden Jennings Foundation grant to help staff provide students with 21st century skills balanced with substantive subject matter in STEMM (Science, Technology, Engineering, Mathematics, Medicine).
- Dover Intermediate School secured three PTA grants for digital signage, a new sensory room and outdoor teaching/learning space.
- 3 WHS seniors were among the 2,500 National Merit Finalists selected by the National Merit Scholarship Corporation to receive \$2,500 National Merit Scholarships.
- An eighth-grade LBMS student placed fourth in the State You Be The Chemist Challenge.
- The WHS Technology & Engineering Department earned two state champion titles for "Best of Show" awards and the rare Zupancic Award at the Ohio Technology & Engineering Educators Association state conference school exhibits competition.
- A WHS senior was named the Ohio SADD Student of the Year.
- Two elementary music teachers, Amy Schillinger and Alison Gregory, were invited to sing with the Cleveland Pops Orchestra Chorus.
- A Westlake student received the Connecting for Kids Kind Kid award for demonstrating kindness and compassion to peers. Elementary Intervention Specialist Christina Meecha received the Educator/Professional of the Year Award.
- A WHS senior volunteered with Bugles Across America to play taps at funeral services for local veterans.
- A WHS student was the youngest competitor in the Formula 3 (F3) class main support races at the Formula 1 (F1) Pirelli 2018 United States Grand Prix in Texas.
- 46 LBMS students were named semifinalists in the Ohio Library of Congress' Letters About Literature Contest. 1 student was named a state finalist.

- The WHS Latin Club placed 11th overall statewide in the Ohio Junior Classical League State Convention.
- The WHS and LBMS Academic Challenge teams placed in the Top 10 in the national Questions Unlimited Spring 3-2-1 Competition. LBMS finished 4th in the nation and 1st in Ohio, and WHS finished 10th nationally and first in Ohio.
- 67 WHS students participated in the National French Exam Competition and earned top awards.
- School Nurse Barb Detwiler received the Cleveland Animal Protective League's Foster Care Volunteer of the Year Award, as well as the Lifetime Achievement Award and President's Volunteer Service Award.
- A WHS sophomore was a Top 20 finalist in the Young Entrepreneur Pitch Challenge for designing a bathroom shelving unit.
- WHS Music Director Hilary Patriok was inducted into the Mu Chapter of Ohio, the National Bandmasters Fraternity.
- A WHS Model United National team member earned an Honorable Mention as the Democratic People's Republic of Korea Delegate in the General Assembly.
- WHS Principal Paul Wilson accepted the Educational Administrator of the Year Award from the Educational Office Professionals of Ohio.

Giving Back

- One School, One Book: Westlake's four elementary schools partnered with 20+ community businesses to place more than 2,000 books in students' homes.
- WHS students donated more than 18,000 service learning hours to the community
- Dover Intermediate School welcomed Sunrise Senior Living Community and participated in the intergenerational Go for Life outreach program.
- A DIS student organized Socktober to collect socks for The City Mission of Cleveland.
- WHS National Art Honor Society assembled toiletry bags, donating 50 to St. Herman's House and 50 to Laura's Home Women's Crisis Center.
- WHS Computer Coding Club helped educate senior citizens on the use of their laptops, iPads and smartphones at the Westlake Community Services Department.
- LBMS Service Committee donated treat bags to the Westlake Police Department.
- Members of the WHS Marching Band performed for a Lutheran Home at Concord Reserve resident as part of Crossroads Hospice Gift of the Day.
- WHS AP Environmental Science students partnered with Cleveland Metroparks to help with a native plant installation at the Wolf Picnic Area in Bay Village.
- The WHS Cultural Pollinator Garden, led by science teacher Melissa Barth and the Beekeeping Club, opened thanks to donations from First National Bank, City of Westlake Service Department, Pattie Group, Dean's Greenhouse, Westlake Garden Club, WCSD building and maintenance staff, WHS ArtDepartment, WHS Technology/Engineering Department, AP Environmental Science students, and third grade Holly Lane Elementary classes.

- LBMS Burneson hosted a 1.5-mile Kindness Walk to promote positivity, kindness and mental health awareness.
- A WHS art student created the winning illustration for Projitech LLC's guiding principles project that illustrates quotes from employees and displays them in their corporate office.
- LBMS Intervention Specialist Erin Blahnik's class donated \$500 to the Cleveland APL from dog treat sales.
- Dover Elementary School raised \$11,558 to benefit the Taussig Cancer Institute Radiation Oncology Department at the Cleveland Clinic as part of the Kids Give Back School Program.

All four of the District's elementary schools are International Baccalaureate World Schools and are up for re-authorization in 2020. The Primary Years Programme curriculum model, implemented at all four of the elementary schools, uses a combination of inquiry and instruction to help students develop academic knowledge and skills, and apply what they know in new situations. A new consolidated Pre-K through 4 elementary school is planned to replace the District's four aging elementary schools. See **School Building Information – Last Ten Fiscal Years** located in the Statistical Section of this CAFR for a listing of the District's current elementary schools.

In 2015-16, a dedicated group of residents, business and nonprofit leaders, higher education representatives, civic representatives, parents and staff came together and shared their ideas and priorities to create the District's Strategic Plan. As the District sets its course for the future, the District believes that it is critical to understand how its stakeholders perceive its priorities and the role of the District in the community. The strategic planning process created a document outlining goals and initiatives to help the District position itself to best prepare students for their lives beyond graduation.

The goals include the following:

- Finance: Maintain a constant and appropriate long-term funding stream to achieve the educational mission of the District.
- Curriculum & Technology: Create a systematic framework to develop an all-inclusive learning environment aimed at educating the whole child that empowers every one of the District's students to positively and purposefully contribute to society and to strive for excellence.
- Facilities: Have a 21st century learning environment where form follows flexible function and accommodates safety, curriculum and technology.
- Communication & Community Partnerships: Build a sense of pride, confidence and trust through communication and partnerships.
- Culture & Environment: Build a culture of inclusion, collaboration, open-mindedness, respect and inspiration, so every student, faculty and community member feels welcomed and inspired to do their very best.

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

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

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

Employee News: The District offers different tools to communicate with staff on a range of topics, including [Around the Schools](#), a publication for and about District employees, which is delivered via e-mail to all staff members each Monday.

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

Beginning in academic year 2013-14, the State implemented a number of changes in the way in which the performance of its school districts and their individual schools is to be measured and reported. The former designations (such as "Excellent") were replaced with letter grades on performance indicators and several new measures. This reporting is being phased in over several years. The components currently included on the report card are Achievement (measuring absolute academic achievement compared to national standards of success), Progress (measuring the average annual improvement for each student), Gap Closing (measuring how well a school district or school is doing in narrowing gaps in reading, math and graduation rate among students according to socioeconomic, racial, ethnic or disability status), Graduation Rate (measuring the percentage of students who entered the 9th grade and graduated in four and five years), Improving At-Risk K-3 Readers (measuring the improvement in reading for students in kindergarten through 3rd grade) and Prepared for Success (measuring whether students who graduate are prepared for college or a career).

For academic years 2015-16, 2016-17, 2017-18 and 2018-19 the District's grades in the measures included within the components described above were:

	Academic Year 2015-16 Grade	Academic Year 2016-17 Grade	Academic Year 2017-18 Grade	Academic Year 2018-19 Grade
Achievement				
Performance Index	B	B	B	B
Performance Indicators	C	C	B	A
Progress				
Value Added: Overall	F	F	C	A
Value Added: Gifted	F	C	D	A
Value Added: Students with Disabilities	F	B	D	A
Value Added: Lowest 20% in Achievement	F	C	B	A
Gap Closing				
Annual Measurable Objectives (AMOs)	C	D	A	A
Graduation Rate				
Graduation Rate (four year)	A	A	A	A
Graduation Rate (five year)	A	A	A	A
K-3 Literacy				
K-3 Literacy Improvement	D	(Not rated due to fewer than 5% of Kindergarten students on an improvement plan) NR	NR	NR

By satisfying 23 of the State's 24 performance indicators for academic year 2018-19 (all based on achievement or graduation test passage rates), in combination with the performance index (measures the test results of every student)

the District earned an “A” for the overall rating system. School districts throughout the State, in the aggregate, were assigned the following Overall Grade designations related to their performance on the State’s achievement assessments and graduation tests.

Designation	Number of School Districts
A	31
B	169
C	282
D	122
F	4

Beginning with the 2017-18 school year, the State started assigning a “Prepared for Success” grade. This grade is intended to measure college and career readiness. The District earned a “C” in this component for the 2018-19 school year. School districts throughout the State, in the aggregate, were assigned the following designations related to their “Prepared for Success” component.

Designation	Number of School Districts
A	11
B	25
C	62
D	253
F	257

Long-Term Financial Planning

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

Financial Policies Impacting the Financial Statements

During fiscal year 2015, the District advance refunded \$57,165,000 of Build America Bonds. This advance refunding was undertaken to reduce the combined total debt service payments by \$2,110,668 and resulted in an economic gain of \$1,093,350. No debt refundings took place in fiscal years 2016 - 2019; however, the District is constantly evaluating options for the refunding of debt in an effort to save on future interest charges.

Financial Information

Internal Accounting and Budgetary Control

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the

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

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

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

Financial Presentation

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

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

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

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

Management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion follows the Independent Auditor's Report, providing an assessment of the District's finances for fiscal year 2019 and a discussion of current issues affecting the District in the future. The MD&A should be read in conjunction with this letter of transmittal.

Financial Highlights – Fiduciary Fund

The trust fund carried on the financial records of the District is a college scholarship private-purpose trust fund that has a net position totaling \$105,945 as of June 30, 2019. The trust fund earns interest and distributes scholarships.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Keith Faber, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2019. The opinion appears at the beginning of the financial section of this report.

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

system beginning with its financial report for the 1979 year.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Westlake City School District for its CAFR for the fiscal year ended June 30, 2018. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

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

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

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

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

Respectfully Submitted,



Todd L. Hopkins, CFO/Treasurer



Scott Goggin, Superintendent of Schools

Westlake City School District
Principal Officials
June 30, 2019

Board of Education

Mrs. Barb Leszynski President
Mr. Joseph Kraft..... Vice-President
Mr. John Finucane.....Member
Dr. Robert StollMember
Dr. Carol Winter.....Member

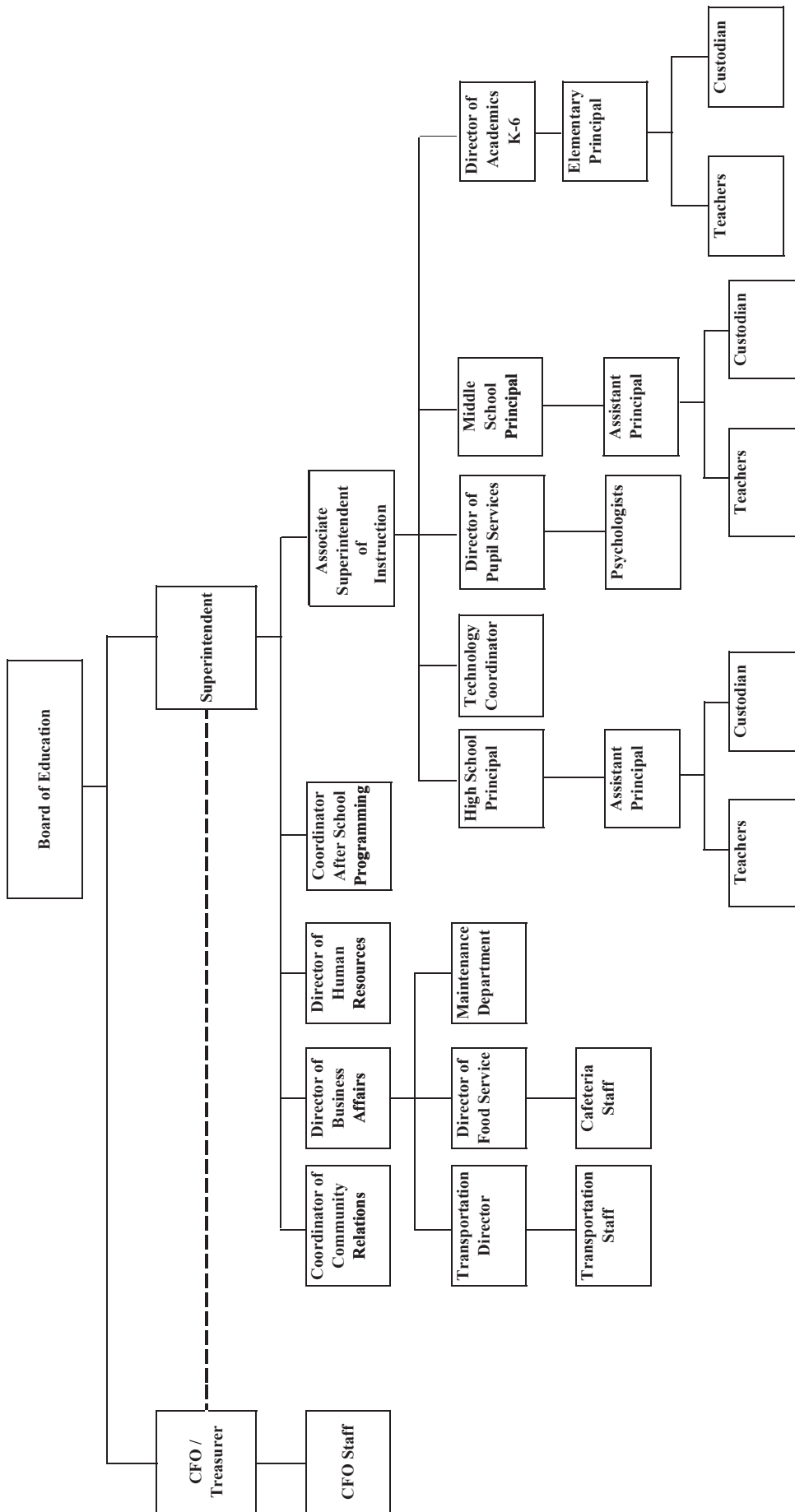
Chief Financial Officer/Treasurer

Mr. Todd L. Hopkins

Executive Administration

Dr. Scott Goggin Superintendent
Mr. David Kocevar..... Director of Business Affairs
Mrs. Kathi Maxwell Associate Superintendent of Instruction
Mr. Alex FlemingDirector of Academics K-6
Mr. Brady Sheets.....Director of Human Resources
Mrs. Stephanie Morgan.....Director of Pupil Services

Westlake City School District Organizational Chart





Government Finance Officers Association

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

Presented to

**Westlake City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

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Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Westlake City School District
Cuyahoga County
24525 Hilliard Boulevard
Westlake, Ohio 44145

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio, as of June 30, 2019, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 18, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

December 18, 2019

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

The management's discussion and analysis of the Westlake City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- In total, net position of governmental activities increased \$11,771,186 which represents a 272.24% increase from 2018's net position.
- General revenues accounted for \$61,224,158 in revenue or 91.85% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$5,433,938 or 8.15% of total revenues of \$66,658,096.
- The District had \$54,886,910 in expenses related to governmental activities; only \$5,433,938 of these expenses were offset by program specific charges for services and sales and operating grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$61,224,158 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, bond retirement fund, and building fund. The general fund had \$53,700,183 in revenues and \$51,964,341 in expenditures and other financing uses. During fiscal 2019, the general fund's fund balance increased \$1,735,842 from a balance of \$25,910,329 to \$27,646,171.
- The bond retirement fund had \$7,732,719 in revenues and \$6,560,542 in expenditures. During fiscal 2019, the bond retirement fund's fund balance increased \$1,172,177 from \$8,193,415 to \$9,365,592.
- The building fund had \$700,043 in revenues and \$25,062,025 in expenditures. During fiscal 2019, the building fund's fund balance decreased \$24,361,982 from \$29,743,208 to \$5,381,226.

Using the Basic Financial Statements

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Reporting the District's Fiduciary Responsibilities

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

Notes to the Basic Financial Statements

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and OPEB liability/asset.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2019 and 2018.

	Net Position	
	Governmental Activities 2019	Governmental Activities 2018
<u>Assets</u>		
Current and other assets	\$ 100,816,396	\$ 117,434,789
Net OPEB asset	3,208,825	-
Capital assets, net	<u>138,791,374</u>	<u>116,313,335</u>
Total assets	<u>242,816,595</u>	<u>233,748,124</u>
<u>Deferred outflows of resources</u>		
Unamortized deferred charges	766,000	824,235
Pension	14,405,718	18,487,503
OPEB	<u>688,751</u>	<u>639,881</u>
Total deferred outflows	<u>15,860,469</u>	<u>19,951,619</u>
<u>Liabilities</u>		
Current liabilities	15,092,425	8,595,115
Long-term liabilities:		
Due within one year	2,710,176	2,475,878
Due in more than one year:		
Net pension liability	58,953,040	64,708,091
Net OPEB liability	7,343,143	15,334,441
Other amounts	<u>112,950,750</u>	<u>115,574,509</u>
Total liabilities	<u>197,049,534</u>	<u>206,688,034</u>
<u>Deferred inflows of resources</u>		
Property taxes	40,087,316	41,813,445
Pensions	7,666,534	7,386,872
OPEB	<u>6,426,278</u>	<u>2,135,176</u>
Total deferred inflows	<u>54,180,128</u>	<u>51,335,493</u>
<u>Net Position</u>		
Net investment in capital assets	24,216,407	31,723,499
Restricted	20,016,980	10,969,008
Unrestricted (deficit)	<u>(36,785,985)</u>	<u>(47,016,291)</u>
Total net position (deficit)	<u>\$ 7,447,402</u>	<u>\$ (4,323,784)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District's assets plus deferred outflows exceeded liabilities plus deferred inflows by \$7,447,402. Of this total, \$20,016,980 is restricted in use.

Current and other assets decreased as the District expended cash for construction projects. The District expended approximately \$18 million in cash on the replacement of aging elementary schools with one new elementary campus.

Total assets include a net OPEB asset reported by STRS. See Note 14 for more detail. STRS did not report a net pension asset in the prior year.

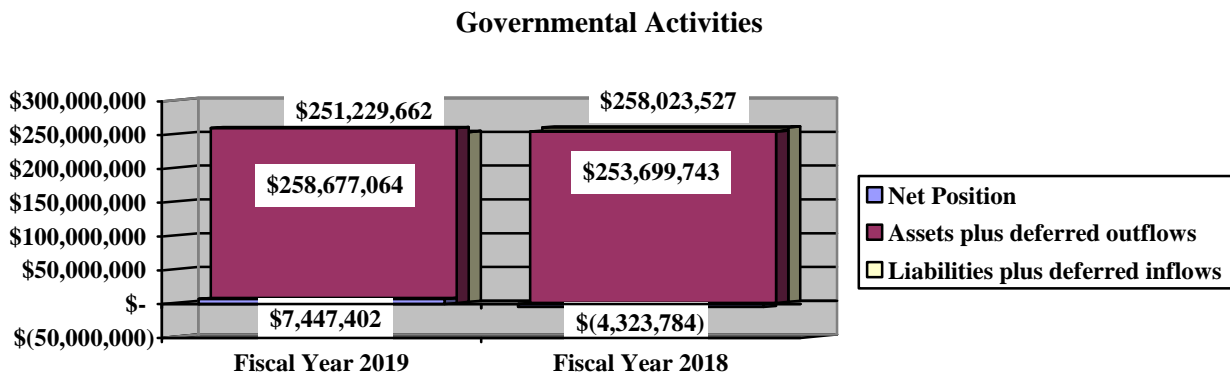
At year-end, capital assets represented 57.16% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks and library books. Net position invested in capital assets at June 30, 2019, was \$24,216,407. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current liabilities increased primarily due to increases in contracts payable and retainage payable related to construction projects.

Long-term liabilities decreased primarily due to a decrease in the net pension liability and net OPEB liability. These liabilities are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

A portion of the District's net position, \$20,016,980, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$36,785,985.

The graph below illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2019 and 2018.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

The table below shows the change in net position for fiscal years 2019 and 2018.

	Change in Net Position	
	Governmental Activities 2019	Governmental Activities 2018
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 2,488,801	\$ 2,304,329
Operating grants and contributions	2,945,137	2,776,307
General revenues:		
Property taxes	50,133,172	49,383,105
Payment in lieu of taxes	583,245	506,058
Grants and entitlements	8,710,452	9,333,934
Investment earnings	1,454,236	647,724
Miscellaneous	343,053	262,899
Total revenues	<u>66,658,096</u>	<u>65,214,356</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	18,882,246	9,561,942
Special	7,299,040	4,270,413
Vocational	1,096,291	994,315
Adult/continuing	3,463	1,568
Other	1,320,022	1,294,993
Support services:		
Pupil	3,605,224	1,947,875
Instructional staff	1,523,929	1,349,033
Board of education	30,789	20,468
Administration	2,573,445	1,534,687
Fiscal	1,167,196	940,223
Business	489,965	321,226
Operations and maintenance	4,833,938	2,929,868
Pupil transportation	3,280,451	1,985,454
Central	778,698	137,169
Operation of non-instructional services:		
Food service operations	1,235,170	929,969
Other non-instructional services	1,310,251	918,540
Extracurricular activities	1,154,087	749,890
Interest and fiscal charges	4,302,705	4,279,804
Total expenses	<u>54,886,910</u>	<u>34,167,437</u>
Change in net position	11,771,186	31,046,919
Net position (deficit) at beginning of year	<u>(4,323,784)</u>	<u>(35,370,703)</u>
Net position (deficit) at end of year	<u>\$ 7,447,402</u>	<u>\$ (4,323,784)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Governmental Activities

Net position of the District's governmental activities increased \$11,771,186. Total governmental expenses of \$54,886,910 were offset by program revenues of \$5,433,938 and general revenues of \$61,224,158. Program revenues supported 9.90% of the total governmental expenses.

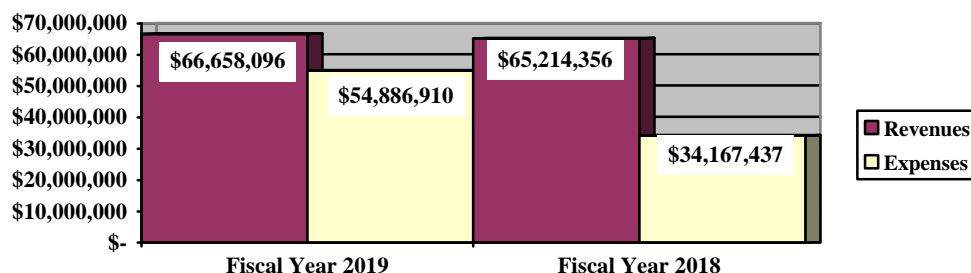
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 88.28% of total governmental revenue. The increase in property tax revenue is due to fluctuations in the amounts collected by the County Fiscal Officer and available as advance at fiscal year-end. The amount collected and available as advance for the fiscal year end June 30, 2019, June 30, 2018 and June 30, 2017 was \$9,041,582, \$6,768,365 and \$7,984,240, respectively. The fluctuations in these amounts caused the reported increase for fiscal year 2019 in tax revenue. The amount collected and available for advance can vary depending upon when tax bills are sent. Real estate property is reappraised every six years. Charges for services and sales remained comparable to fiscal year 2018. Operating grants and contributions increased primarily due to more federal funding being received in fiscal year 2019. Payments in lieu of taxes (PILOT) revenue consists primarily of an American Greetings PILOT which remained comparable to the prior year. Investment earnings increased due to higher interest rates on investments. Fluctuations in the fair value of investments occurs during the fiscal year. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value. Increases or decreases to the fair value of investments are reported as a component of interest revenue.

Overall, expenses of the governmental activities increased \$20,719,473 or 60.64%. This increase is primarily the result of the STRS indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2018. These benefit changes caused a decrease to the net pension liability reported at June 30, 2018 and the subsequent expenses reported for fiscal year 2018 when compared to fiscal year 2017.

On an accrual basis, the District reported \$3,046,552 and (\$21,319,021) in pension expense for fiscal year 2019 and 2018, respectively. In addition, the District reported (\$6,763,803) and (\$2,080,423) in OPEB expense for fiscal year 2019 and 2018, respectively. The net increase in the combined pension expense and the OPEB expense from fiscal year 2018 to fiscal year 2019 was \$19,682,193. This net increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities. The District's total expenses for fiscal year 2019 are comparable to total fiscal year 2017 expenses.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2019 and 2018.

Governmental Activities - Revenues and Expenses



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As stated above, fluctuations in the pension expense and OPEB expense reported under GASB 68 and GASB 75, respectively, makes it difficult to compare financial information between years.

Governmental Activities

	Total Cost of Services 2019	Net Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2018
Program expenses				
Instruction:				
Regular	\$ 18,882,246	\$ 18,307,866	\$ 9,561,942	\$ 9,134,900
Special	7,299,040	6,365,096	4,270,413	3,505,873
Vocational	1,096,291	1,089,187	994,315	987,211
Adult/continuing	3,463	(3,948)	1,568	(40,383)
Other	1,320,022	986,294	1,294,993	961,139
Support services:				
Pupil	3,605,224	3,542,835	1,947,875	1,920,426
Instructional staff	1,523,929	1,445,621	1,349,033	1,276,122
Board of education	30,789	30,789	20,468	20,468
Administration	2,573,445	2,568,776	1,534,687	1,534,213
Fiscal	1,167,196	1,167,196	940,223	940,223
Business	489,965	489,965	321,226	321,226
Operations and maintenance	4,833,938	4,750,723	2,929,868	2,846,158
Pupil transportation	3,280,451	2,995,333	1,985,454	1,728,482
Central	778,698	778,698	137,169	137,169
Operation of non-instructional services:				
Food service operations	1,235,170	49,404	929,969	(311,255)
Other non-instructional services	1,310,251	(51,333)	918,540	(362,003)
Extracurricular activities	1,154,087	637,765	749,890	207,028
Interest and fiscal charges	4,302,705	4,302,705	4,279,804	4,279,804
Total expenses	<u>\$ 54,886,910</u>	<u>\$ 49,452,972</u>	<u>\$ 34,167,437</u>	<u>\$ 29,086,801</u>

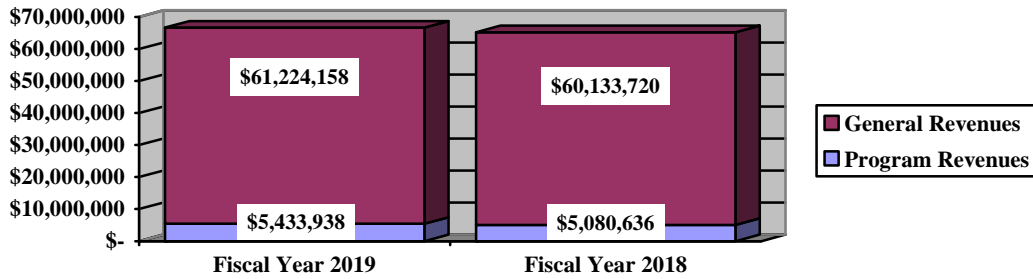
The dependence upon tax and other general revenues for governmental activities is apparent, as 93.51% of instruction activities are supported through taxes, grants and entitlements and other general revenues. For all governmental activities, general revenue support is 90.10%. Taxes and unrestricted grants and entitlements from the State of Ohio, as a whole, are by far the primary support for the District's students.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

The graph below presents the District's governmental activities revenue for fiscal year 2019 and 2018.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on page 21) reported a combined fund balance of \$44,512,657, which is lower than last year's total of \$65,947,717. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Change
General	\$ 27,646,171	\$ 25,910,329	\$ 1,735,842
Bond Retirement	9,365,592	8,193,415	1,172,177
Building	5,381,226	29,743,208	(24,361,982)
Other Governmental	2,119,668	2,100,765	18,903
Total	<u>\$ 44,512,657</u>	<u>\$ 65,947,717</u>	<u>\$ (21,435,060)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

General Fund

The District's general fund balance increased \$1,735,842. An analysis of the general fund's revenues and expenditures is presented below.

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

	2019 <u>Amount</u>	2018 <u>Amount</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Taxes and payments in lieu of taxes	\$ 43,098,810	\$ 42,220,567	\$ 878,243	2.08 %
Tuition	1,067,232	918,965	148,267	16.13 %
Earnings on investments	705,198	178,703	526,495	294.62 %
Intergovernmental	8,038,110	8,368,365	(330,255)	(3.95) %
Other revenues	<u>790,833</u>	<u>810,842</u>	<u>(20,009)</u>	(2.47) %
Total	<u>\$ 53,700,183</u>	<u>\$ 52,497,442</u>	<u>\$ 1,202,741</u>	2.29 %
<u>Expenditures</u>				
Instruction	\$ 30,857,390	\$ 29,957,784	899,606	3.00 %
Support services	19,306,903	18,853,880	453,023	2.40 %
Other non-instructional services	695,160	710,174	(15,014)	(2.11) %
Extracurricular activities	981,740	1,083,372	(101,632)	(9.38) %
Facilities acquisition and construction	9,763	31,229	(21,466)	(68.74) %
Debt service	<u>97,200</u>	<u>97,200</u>	<u>-</u>	- %
Total	<u>\$ 51,948,156</u>	<u>\$ 50,733,639</u>	<u>\$ 1,214,517</u>	2.39 %

The increase in property tax revenue is due to fluctuations in the amount collected by the County Fiscal Officer and available as advance at fiscal year-end. The amount collected and available as advance for the fiscal year end June 30, 2019, June 30, 2018, and June 30, 2017 was \$7,584,387, \$5,729,859, and \$6,702,435, respectively. The fluctuations in these amounts caused the reported increase for fiscal year 2019 in tax revenue. The amount collected and available for advance can vary depending upon when tax bills are sent. Investment earnings increased as the District had higher interest rates on investments. The District is required to report investments at fair value rather than cost. Fluctuations in the fair value of investments occurs during the fiscal year. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value. Increases or decreases to the fair value of investments are reported as a component of interest revenue. Intergovernmental revenues decreased due to less funding being received by the District from the State of Ohio in the form of Foundation payments. Other revenues decreased due to more refunds and reimbursements received or accrued in fiscal year 2018 versus fiscal year 2019.

Expenditures for instruction, support services and non-instructional services remained comparable to the prior year. Extracurricular activities decreased due to less student participation in activities. Facilities and acquisition expenditures decreased due to the completion of various projects in the prior fiscal year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Bond Retirement Fund

The bond retirement fund had \$7,732,719 in revenues and \$6,560,542 in expenditures. During fiscal 2019, the bond retirement fund's fund balance increased \$1,172,177 from \$8,193,415 to \$9,365,592. The District continues to accumulate resources for the future payment of long-term debt obligations.

Building Fund

The building fund had \$700,043 in revenues and \$25,062,025 in expenditures. During fiscal 2019, the building fund's fund balance decreased \$24,361,982 from \$29,743,208 to \$5,381,226. The District is replacing four aging elementary schools with one new elementary campus.

General Fund Budgeting Highlights

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

During the course of fiscal 2019 the District amended its general fund budget several times. For the general fund, final budgeted revenues and other financing sources were \$47,573,033, which was lower than original budgeted revenues and other financing sources estimate of \$50,212,165. Actual revenues and other financing sources for fiscal 2019 were \$51,169,598 this is an increase of \$3,596,565 from final budgeted revenues and other financing sources which is primarily due to conservative budgeting of property tax receipts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$54,270,457 were decreased to \$52,573,696 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2019 totaled \$52,518,995, which was \$54,701 lower than the final budget appropriations

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2019, the District had \$138,791,374 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks and library books. This entire amount is reported in governmental activities.

The following table shows fiscal 2019 balances compared to 2018:

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

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 2,576,787	\$ 2,576,787
Construction in progress	29,857,075	4,748,342
Land improvements	238,990	150,683
Buildings and improvements	102,662,123	105,287,289
Furniture and equipment	1,901,302	1,960,110
Vehicles	<u>1,555,097</u>	<u>1,590,124</u>
Total	<u>\$ 138,791,374</u>	<u>\$ 116,313,335</u>

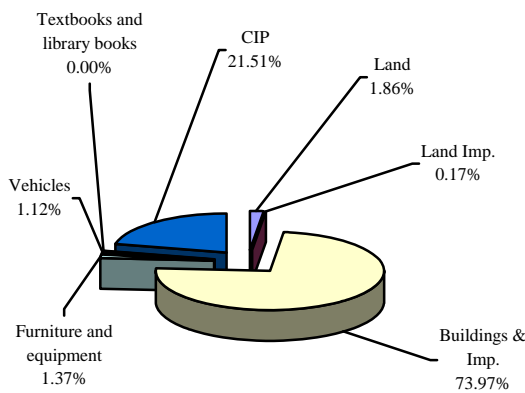
**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

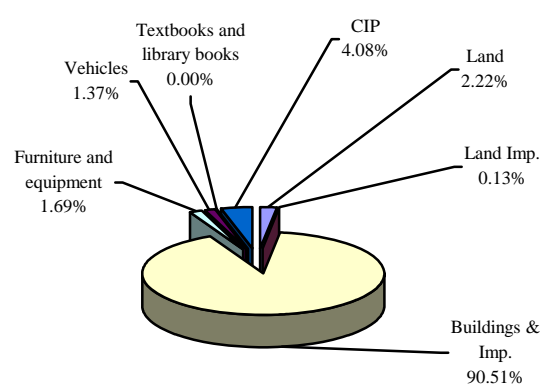
The overall increase in capital assets of \$22,478,039 is primarily due to additions of \$25,769,301 exceeding depreciation expense of \$3,284,511 and disposals of \$6,751 (net of accumulated depreciation).

The graphs below present the District's capital assets for fiscal 2019 and fiscal 2018.

Governmental Activities - 2019



Governmental Activities - 2018



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

Debt Administration

At June 30, 2019, the District had \$107,664,512 in general obligation bonds (the issue is comprised of current issue bonds, term bonds, sinking fund bonds and capital appreciation bonds) outstanding. Of this total, \$2,380,000 is due within one year and \$105,284,512 is due in more than one year.

The following table summarizes the bonds outstanding:

Outstanding Debt, at Year End

	Governmental Activities 2019	Governmental Activities 2018
Current interest bonds	\$ 54,540,000	\$ 56,585,000
Term bonds	41,485,000	41,485,000
Sinking fund bonds	11,260,000	11,260,000
Capital appreciation bonds	180,000	180,000
Accretion on capital appreciation bonds	199,512	164,048
Total	<u>\$ 107,664,512</u>	<u>\$ 109,674,048</u>

The District made \$2,045,000 in principal payments on the current interest bonds during fiscal year 2019. The capital appreciation bonds accreted \$35,464 in interest during 2019.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

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

Current Financial Related Activities

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

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

The District has not projected any meaningful growth in State revenues due to the economy and a going concern regarding the new State funding model and legislation which dictates the redistribution and/or accelerated phase-out of state-reimbursed personal property taxes. With approximately 84 percent of general fund revenues being derived from local sources, one can see the significant impact these changes will have on the District and ultimately, the residential taxpayers.

Community support for the District remains solid. In May of 2000, the Westlake voters had passed a 5.5 mill replacement levy, which helped fund the general operations and permanent improvements of the District over the last several years. In addition, the community overwhelmingly passed a bond issue in late 2002 to support the construction of a new district Performing Arts center. In May of 2006, the community passed a 6.9 mill continuing levy for general operations. In May of 2010, the community overwhelmingly passed a 3.4 mill bond issue to support phase I of its capital improvement plan. Most recently, in November of 2016, the community approved a 1.3 mill bond issue to replace the four aging elementary schools with one new elementary campus and 0.8 mill continuing permanent improvement levy.

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Contacting the District's Financial Management

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

If you have questions about this report or need additional financial information please contact: Todd Hopkins, Chief Financial Officer/Treasurer, Westlake City School District, 24525 Hilliard Boulevard, Westlake, Ohio 44145. Or if you prefer, you may email inquiries to: HopkinsT@wlake.org.

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

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 49,345,213
Receivables:	
Property taxes	50,510,608
Accounts.	13,596
Accrued interest	111,670
Intergovernmental	720,001
Prepayments	92,895
Materials and supplies inventory.	17,827
Inventory held for resale.	4,586
Net OPEB asset (Note 14)	3,208,825
Capital assets:	
Nondepreciable capital assets	32,433,862
Depreciable capital assets, net	106,357,512
Capital assets, net	138,791,374
Total assets.	242,816,595
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	766,000
Pension (Note 13)	14,405,718
OPEB (Note 14)	688,751
Total deferred outflows of resources	15,860,469
Liabilities:	
Accounts payable.	612,350
Contracts payable.	7,005,691
Retainage payable	591,545
Accrued wages and benefits payable	5,247,737
Intergovernmental payable	147,451
Pension and postemployment benefits payable	750,729
Accrued interest payable	646,122
Unearned revenue	90,800
Long-term liabilities:	
Due within one year.	2,710,176
Due in more than one year:	
Net pension liability (Note 13)	58,953,040
Net OPEB liability (Note 14)	7,343,143
Other amounts due in more than one year	112,950,750
Total liabilities	197,049,534
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	40,087,316
Pension (Note 13)	7,666,534
OPEB (Note 14)	6,426,278
Total deferred inflows of resources	54,180,128
Net position:	
Net investment in capital assets	24,216,407
Restricted for:	
Capital projects	10,599,259
Debt service.	8,695,943
Locally funded programs	188,799
State funded programs.	65,010
Federally funded programs	28,254
Student activities	193,713
Other purposes	246,002
Unrestricted (deficit)	(36,785,985)
Total net position (deficit).	\$ 7,447,402

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular	\$ 18,882,246	\$ 511,841	\$ 62,539	\$ (18,307,866)
Special	7,299,040	9,072	924,872	(6,365,096)
Vocational	1,096,291	-	7,104	(1,089,187)
Adult/continuing.	3,463	-	7,411	3,948
Other	1,320,022	-	333,728	(986,294)
Support services:				
Pupil.	3,605,224	-	62,389	(3,542,835)
Instructional staff	1,523,929	-	78,308	(1,445,621)
Board of education	30,789	-	-	(30,789)
Administration.	2,573,445	-	4,669	(2,568,776)
Fiscal.	1,167,196	-	-	(1,167,196)
Business.	489,965	-	-	(489,965)
Operations and maintenance	4,833,938	63,502	19,713	(4,750,723)
Pupil transportation.	3,280,451	53,787	231,331	(2,995,333)
Central	778,698	-	-	(778,698)
Operation of non-instructional services:				
Food service operations	1,235,170	827,598	358,168	(49,404)
Other non-instructional services	1,310,251	647,282	714,302	51,333
Extracurricular activities.	1,154,087	375,719	140,603	(637,765)
Interest and fiscal charges	4,302,705	-	-	(4,302,705)
Total governmental activities	<u>\$ 54,886,910</u>	<u>\$ 2,488,801</u>	<u>\$ 2,945,137</u>	<u>(49,452,972)</u>
General revenues:				
Property taxes levied for:				
General purposes				42,358,923
Debt service.				6,645,097
Capital outlay.				1,129,152
Payments in lieu of taxes.				583,245
Grants and entitlements not restricted				
to specific programs				8,710,452
Investment earnings				1,454,236
Miscellaneous				343,053
Total general revenues				<u>61,224,158</u>
Change in net position				11,771,186
Net position (deficit)				
at beginning of year				<u>(4,323,784)</u>
Net position at end of year.				<u>\$ 7,447,402</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 25,885,377	\$ 7,104,809	\$ 12,968,451	\$ 3,386,576	\$ 49,345,213
Receivables:					
Property taxes.	42,788,934	6,538,960	-	1,182,714	50,510,608
Accounts	9,603	-	-	3,993	13,596
Accrued interest	101,255	-	10,415	-	111,670
Interfund loans	275,669	1,000,000	-	-	1,275,669
Intergovernmental.	474,970	-	-	245,031	720,001
Prepayments	92,895	-	-	-	92,895
Materials and supplies inventory.	13,954	-	-	3,873	17,827
Inventory held for resale.	-	-	-	4,586	4,586
Total assets	<u>\$ 69,642,657</u>	<u>\$ 14,643,769</u>	<u>\$ 12,978,866</u>	<u>\$ 4,826,773</u>	<u>\$ 102,092,065</u>
Liabilities:					
Accounts payable.	\$ 416,681	\$ -	\$ 404	\$ 195,265	\$ 612,350
Contracts payable	-	-	7,005,691	-	7,005,691
Retainage payable	-	-	591,545	-	591,545
Accrued wages and benefits payable	5,105,447	-	-	142,290	5,247,737
Compensated absences payable	70,931	-	-	-	70,931
Intergovernmental payable	134,353	-	-	13,098	147,451
Pension and postemployment benefits payable	713,003	-	-	37,726	750,729
Interfund loans payable.	-	-	-	1,275,669	1,275,669
Unearned revenue.	90,800	-	-	-	90,800
Total liabilities.	<u>6,531,215</u>	<u>-</u>	<u>7,597,640</u>	<u>1,664,048</u>	<u>15,792,903</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	34,028,654	5,102,192	-	956,470	40,087,316
Delinquent property tax revenue not available.	1,175,893	175,985	-	29,832	1,381,710
Intergovernmental revenue not available.	189,845	-	-	56,755	246,600
Interest revenue not available	69,557	-	-	-	69,557
Miscellaneous revenue not available.	1,322	-	-	-	1,322
Total deferred inflows of resources	<u>35,465,271</u>	<u>5,278,177</u>	<u>-</u>	<u>1,043,057</u>	<u>41,786,505</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory	13,954	-	-	3,873	17,827
Prepays.	92,895	-	-	-	92,895
Restricted:					
Debt service.	-	9,365,592	-	-	9,365,592
Capital improvements	-	-	5,381,226	1,368,580	6,749,806
Food service operations	-	-	-	288,849	288,849
Non-public schools	-	-	-	44,901	44,901
Special education	-	-	-	3,307	3,307
Targeted academic assistance	-	-	-	3,175	3,175
Extracurricular	-	-	-	193,713	193,713
Other purposes.	-	-	-	224,729	224,729
Committed:					
Capital improvements	8,693	-	-	-	8,693
Health insurance	1,160,000	-	-	-	1,160,000
Assigned:					
Student instruction	288,172	-	-	-	288,172
Student and staff support.	841,455	-	-	-	841,455
Extracurricular activities	12	-	-	-	12
Facilities acquisition and construction	1,025	-	-	-	1,025
School supplies	71,396	-	-	-	71,396
Subsequent year appropriations	2,962,889	-	-	-	2,962,889
Unassigned (deficit)	22,205,680	-	-	(11,459)	22,194,221
Total fund balances	<u>27,646,171</u>	<u>9,365,592</u>	<u>5,381,226</u>	<u>2,119,668</u>	<u>44,512,657</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 69,642,657</u>	<u>\$ 14,643,769</u>	<u>\$ 12,978,866</u>	<u>\$ 4,826,773</u>	<u>\$ 102,092,065</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Total governmental fund balances		\$ 44,512,657
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		138,791,374
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 1,381,710	
Accounts receivable	1,322	
Accrued interest receivable	69,557	
Intergovernmental receivable	246,600	
Total	<u>1,699,189</u>	1,699,189
Unamortized premiums on bonds issued are not recognized in the funds.		(3,513,346)
Unamortized deferred amounts on debt refundings are not recognized in the funds.		766,000
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(646,122)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows and outflows are not reported in the funds.		
Deferred outflows - Pension	14,405,718	
Deferred Inflows - Pension	(7,666,534)	
Net pension liability	(58,953,040)	
Total	<u>(52,213,856)</u>	(52,213,856)
The net OPEB liability/asset is not due and payable in the current period; therefore, liability/asset and related deferred inflows and outflows are not reported in the funds.		
Net OPEB asset	3,208,825	
Deferred outflows - OPEB	688,751	
Deferred Inflows - OPEB	(6,426,278)	
Net OPEB liability	(7,343,143)	
Total	<u>(9,871,845)</u>	(9,871,845)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(107,664,512)	
Capital lease obligations	(543,000)	
Compensated absences	(3,869,137)	
Total	<u>(112,076,649)</u>	(112,076,649)
Net position (deficit) of governmental activities		<u><u>\$ 7,447,402</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Property taxes	\$ 42,515,565	\$ 6,663,835	\$ -	\$ 1,132,213	\$ 50,311,613
Payment in lieu of taxes	583,245	-	-	-	583,245
Tuition	1,067,232	-	-	-	1,067,232
Transportation fees	52,863	-	-	-	52,863
Earnings on investments	705,198	-	700,043	2,786	1,408,027
Charges for services	-	-	-	827,598	827,598
Extracurricular	205,334	-	-	170,385	375,719
Classroom materials and fees	75,379	-	-	-	75,379
Rental income	64,502	-	-	-	64,502
Contributions and donations	25,516	-	-	152,442	177,958
Contract services	24,584	-	-	-	24,584
Other local revenues	342,655	-	-	10,637	353,292
Intergovernmental - state	7,934,637	527,059	-	690,187	9,151,883
Intergovernmental - federal	103,473	541,825	-	1,674,629	2,319,927
Total revenues	<u>53,700,183</u>	<u>7,732,719</u>	<u>700,043</u>	<u>4,660,877</u>	<u>66,793,822</u>
Expenditures:					
Current:					
Instruction:					
Regular	20,809,016	-	-	54,883	20,863,899
Special	7,939,570	-	-	606,848	8,546,418
Vocational	1,083,811	-	-	-	1,083,811
Adult/continuing	-	-	-	4,140	4,140
Other	1,024,993	-	-	381,109	1,406,102
Support services:					
Pupil	3,978,865	-	-	49,775	4,028,640
Instructional staff	1,579,391	-	-	51,953	1,631,344
Board of education	33,449	-	-	-	33,449
Administration	2,893,426	14,884	-	6,988	2,915,298
Fiscal	1,182,736	73,693	-	12,774	1,269,203
Business	475,935	-	-	-	475,935
Operations and maintenance	5,209,540	-	-	15,410	5,224,950
Pupil transportation	3,510,823	-	-	197,953	3,708,776
Central	442,738	-	-	510,058	952,796
Operation of non-instructional services:					
Food service operations	-	-	-	1,251,645	1,251,645
Other non-instructional services	695,160	-	-	741,007	1,436,167
Extracurricular activities	981,740	-	-	389,778	1,371,518
Facilities acquisition and construction	9,763	-	25,062,025	241,964	25,313,752
Debt service:					
Principal retirement	94,617	2,045,000	-	127,000	2,266,617
Interest and fiscal charges	2,583	4,426,965	-	14,874	4,444,422
Total expenditures	<u>51,948,156</u>	<u>6,560,542</u>	<u>25,062,025</u>	<u>4,658,159</u>	<u>88,228,882</u>
Excess of revenues over (under) expenditures	<u>1,752,027</u>	<u>1,172,177</u>	<u>(24,361,982)</u>	<u>2,718</u>	<u>(21,435,060)</u>
Other financing sources (uses):					
Transfers in	-	-	-	16,185	16,185
Transfers (out)	(16,185)	-	-	-	(16,185)
Total other financing sources (uses)	<u>(16,185)</u>	<u>-</u>	<u>-</u>	<u>16,185</u>	<u>-</u>
Net change in fund balances	1,735,842	1,172,177	(24,361,982)	18,903	(21,435,060)
Fund balances at beginning of year	<u>25,910,329</u>	<u>8,193,415</u>	<u>29,743,208</u>	<u>2,100,765</u>	<u>65,947,717</u>
Fund balances at end of year	<u>\$ 27,646,171</u>	<u>\$ 9,365,592</u>	<u>\$ 5,381,226</u>	<u>\$ 2,119,668</u>	<u>\$ 44,512,657</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds	\$	(21,435,060)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 25,769,301	
Current year depreciation	(3,284,511)	
Total		22,484,790
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(6,751)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes	(178,441)	
Transportation fees	924	
Other local revenue	398	
Earnings on investments	47,061	
Intergovernmental	184,177	
Total		54,119
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	2,045,000	
Capital leases	221,617	
Total		2,266,617
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items are components of interest expense being reported in the statement of activities:		
Decrease in accrued interest payable	7,554	
Accreted interest on capital appreciation bonds	(35,464)	
Amortization of bond premiums	227,862	
Amortization of deferred charges	(58,235)	
Total		141,717
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		4,440,156
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(3,046,552)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		194,088
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		6,763,803
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported in governmental funds.		(85,741)
Change in net position of governmental activities	\$	11,771,186

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
From local sources:				
Property taxes	\$ 39,900,230	\$ 37,803,090	\$ 40,661,038	\$ 2,857,948
Payment in lieu of taxes.	572,332	542,250	583,245	40,995
Tuition.	518,610	491,352	528,499	37,147
Transportation fees.	51,730	49,011	52,716	3,705
Earnings on investments	391,689	371,102	399,158	28,056
Extracurricular.	107,348	101,706	109,395	7,689
Classroom materials and fees	6,251	5,922	6,370	448
Rental income	73,272	69,421	74,669	5,248
Contract services.	24,124	22,856	24,584	1,728
Other local revenues	36,332	34,423	37,025	2,602
Intergovernmental - state	7,756,104	7,348,446	7,903,995	555,549
Intergovernmental - federal	103,465	98,027	105,438	7,411
Total revenues	<u>49,541,487</u>	<u>46,937,606</u>	<u>50,486,132</u>	<u>3,548,526</u>
Expenditures:				
Current:				
Instruction:				
Regular	21,650,509	20,980,355	20,980,355	-
Special.	8,223,429	7,912,960	7,909,069	3,891
Vocational.	1,069,005	1,082,616	1,082,616	-
Other.	1,510,807	1,254,429	1,254,429	-
Support services:				
Pupil.	4,225,143	4,033,373	4,033,197	176
Instructional staff	1,720,976	1,648,885	1,648,885	-
Board of education	35,169	33,741	33,741	-
Administration.	3,210,573	2,939,016	2,938,968	48
Fiscal	1,289,064	1,299,265	1,298,679	586
Business	601,922	582,121	582,121	-
Operations and maintenance.	5,419,398	5,540,863	5,540,863	-
Pupil transportation	3,746,812	3,559,174	3,559,174	-
Central.	488,770	469,077	469,077	-
Operation of non-instructional services:				
Other non-instructional services	35,200	35,200	35,200	-
Extracurricular activities.	977,532	839,979	839,979	-
Facilities acquisition and construction	66,148	10,788	10,788	-
Total expenditures	<u>54,270,457</u>	<u>52,221,842</u>	<u>52,217,141</u>	<u>4,701</u>
Excess of revenues over (under) expenditures.	<u>(4,728,970)</u>	<u>(5,284,236)</u>	<u>(1,731,009)</u>	<u>3,553,227</u>
Other financing sources (uses):				
Refund of prior year's expenditures	410,318	388,752	418,142	29,390
Transfers (out).	-	(16,185)	(16,185)	-
Advances in.	250,266	237,112	255,038	17,926
Advances (out)	-	(285,669)	(285,669)	-
Other financing (use).	-	(50,000)	-	50,000
Sale of capital assets	10,094	9,563	10,286	723
Total other financing sources (uses)	<u>670,678</u>	<u>283,573</u>	<u>381,612</u>	<u>98,039</u>
Net change in fund balance	(4,058,292)	(5,000,663)	(1,349,397)	3,651,266
Fund balance at beginning of year	24,452,491	24,452,491	24,452,491	-
Prior year encumbrances appropriated	1,106,910	1,106,910	1,106,910	-
Fund balance at end of year	<u>\$ 21,501,109</u>	<u>\$ 20,558,738</u>	<u>\$ 24,210,004</u>	<u>\$ 3,651,266</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and investments	\$ 105,945	\$ 294,083
Liabilities:		
Accounts payable.	-	\$ 139
Intergovernmental payable	-	5,484
Due to students.	-	288,460
Total liabilities	-	\$ 294,083
Net position:		
Held in trust for scholarships	105,945	
Total net position.	\$ 105,945	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Private-Purpose Trust
	Scholarship
Additions:	
Interest.	\$ 47
Gifts and contributions.	17,204
Total additions.	17,251
Deductions:	
Scholarships awarded	7,000
Change in net position	10,251
Net position at beginning of year.	95,694
Net position at end of year	\$ 105,945

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District is located in Westlake, Ohio, Cuyahoga County. The Board of Education controls the District’s seven instructional/support facilities. The District employs (full- and part-time) 295 professional staff members and 244 non-teaching and support staff employees who provide services to 3,428 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

RELATED ORGANIZATION

Porter Public Library

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

JOINTLY GOVERNED ORGANIZATIONS

Connect

Connect is a jointly governed organization serving twenty-four school districts and two educational service centers. Connect was organized pursuant to Ohio Revised Code Chapter 167 as a regional council of governments for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Connect operates as an information technology center pursuant to ORC 3301.075. Each of the governments of these schools supports Connect based on a per pupil charge dependent upon the software packages used. The District contributed \$108,823 to Connect during fiscal year 2019. Connect is governed by a four-member Board of Directors consisting of the Superintendent of the Educational Service Center of Northeast Ohio, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County, and the Executive Director of the Ohio Schools Council. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Northeast Ohio, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

Ohio Schools Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among 247 school districts, educational service centers, joint vocational districts, and Developmental Disabilities boards in 34 Ohio counties. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. The Council's Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2019, the District paid \$1,010 to the Council for annual membership, fees and services. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

The District participates in the natural gas purchase program. This program allows the District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager. There are currently 163 program members in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). School districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and school districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The District participates in the Council's Power4Schools electric purchase program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for either a two-year period or an eight and one-half year period depending upon electric generation area. There are currently 256 program members in the program. FirstEnergy Solutions has been selected as the supplier for the program. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to the actual usage for the year and any necessary adjustments are made.

INSURANCE PURCHASING POOL

Suburban Health Consortium

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

The following are the District's major governmental funds:

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

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

Building Fund - The building fund is used to account for the proceeds and expenditures related to facilities construction.

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements distinguish between those activities that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

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

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

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

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

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

D. Basis of Accounting

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 13 and 14 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include unamortized deferred charges on debt refunding. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

For the District, see Notes 13 and 14 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Budgetary Process

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

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

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

F. Cash and Cash Equivalents

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

During fiscal year 2019, investments were limited to Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, negotiable certificates of deposit (negotiable CD's), commercial paper, U.S. Treasury notes, U.S. government money market mutual funds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2019 amounted to \$705,198 which includes \$205,397 assigned from other District funds.

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

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

G. Inventory

On government-wide and fund financial statements, inventories of supplies are reported at cost while inventories held for resale are reported at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expended/expensed when used. Donated commodities are recorded at their entitlement value. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventory held for resale is not offset by nonspendable fund balance as the proceeds from the eventual sale of the inventory is either restricted, committed or assigned.

Inventory consists of expendable supplies held for consumption and food service inventory held for resale.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

H. Capital Assets

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

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

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

I. Interfund Loans

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

K. Compensated Absences

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

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2019, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

M. Net Position

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

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

N. Fund Balance

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

O. Estimates

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

P. Pensions/Other Postemployment Benefits (OPEB)

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2019.

R. Interfund Activity

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

S. Nonpublic Schools

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

T. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepayments using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed. Fund balance has been presented as nonspendable equal to the balance of the prepayment at fiscal year-end.

U. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2019, the District has implemented GASB Statement No. 83, “Certain Asset Retirement Obligations” and GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements”.

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2019 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
IDEA Part B	\$ 7,150
Title III - Limited English Proficiency	1,001
Improving Teacher Quality	3,279
Miscellaneous Federal Grants	29

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

A. Deposits with Financial Institutions

At June 30, 2019, the carrying amount of all District deposits was \$5,519,417. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2019, \$5,415,328 of the District's bank balance of \$5,915,328 was exposed to custodial risk as discussed below, while \$500,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the District's financial institutions collateralized the District's deposits at a rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of June 30, 2019, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater Than 24 months
<i>Fair Value:</i>						
FHLB	\$ 997,098	\$ 997,098	\$ -	\$ -	\$ -	\$ -
FFCB	2,207,617	-	-	-	-	2,207,617
FHLMC	4,395,489	-	3,495,343	-	-	900,146
FNMA	3,182,773	-	-	3,182,773	-	-
Negotiable CD's	5,492,706	-	-	741,465	498,307	4,252,934
Commercial paper	13,386,606	7,337,066	6,049,540	-	-	-
U.S. Treasury notes	14,016,671	5,010,683	6,212,660	-	-	2,793,328
U.S. government money market mutual funds	435,905	435,905	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	110,959	110,959	-	-	-	-
Total	\$ 44,225,824	\$ 13,891,711	\$ 15,757,543	\$ 3,924,238	\$ 498,307	\$ 10,154,025

The weighted average maturity of investments is 1.05 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLB, FFCB, FHLMC, and FNMA), commercial paper, U.S. Treasury notes, and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

Credit Risk: The District's investments in federal agency securities (FHLB, FFCB, FHLMC, and FNMA) and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The commercial paper was rated P-1 and A-1 / A-1+ by Moody's and Standard & Poor's, respectively. STAR Ohio and the U.S. government money market mutual funds were rated AAAM by Standard & Poor's. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard service. The negotiable CD's were not rated but are fully covered by the FDIC. The District has no investment policy that would further limit its investment choices.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2019:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FHLB	\$ 997,098	2.25
FFCB	2,207,617	4.99
FHLMC	4,395,489	9.94
FNMA	3,182,773	7.20
Negotiable CD's	5,492,706	12.42
Commercial paper	13,386,606	30.27
U.S. Treasury notes	14,016,671	31.69
U.S. government money market mutual funds	435,905	0.99
<i>Amortized Cost:</i>		
STAR Ohio	110,959	0.25
	<u>\$ 44,225,824</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,519,417
Investments	<u>44,225,824</u>
Total	<u>\$ 49,745,241</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 49,345,213
Private-purpose trust fund	105,945
Agency fund	<u>294,083</u>
Total	<u>\$ 49,745,241</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2019, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 275,669
Bond retirement	Nonmajor governmental funds	<u>1,000,000</u>
Total		<u>\$ 1,275,669</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. The interfund receivable in the general fund represents \$275,669 loaned from the general fund to nonmajor governmental funds. In addition, the District issued \$1,000,000 in manuscript debt from the bond retirement fund to the permanent improvement fund (a nonmajor governmental fund). The debt provided temporary funding for constructing, renovating, remodeling, adding to, furnishing, equipping, and otherwise improving District buildings and facilities until funds are received. The manuscript debt has a maturity date of April 1, 2024 and bears an annual interest rate of 3 percent. Interfund loans between governmental funds are eliminated on the government-wide financial statements.

- B.** Interfund transfers for the year ended June 30, 2019, consisted of the following, as reported on the fund financial statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Nonmajor governmental funds	<u>\$ 16,185</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

NOTE 6 - PROPERTY TAXES

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 6 - PROPERTY TAXES - (Continued)

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available as an advance at June 30, 2019 was \$7,584,387 in the general fund, \$1,260,783 in the bond retirement fund, and \$196,412 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2018 was \$5,729,859 in the general fund, \$1,105,206 in the bond retirement fund and \$150,998 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2019 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow. The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second Half Collections		2019 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,421,129,760	97.94	\$ 1,547,978,250	98.05
Public utility personal	<u>29,844,940</u>	<u>2.06</u>	<u>30,844,930</u>	<u>1.95</u>
Total	<u>\$ 1,450,974,700</u>	<u>100.00</u>	<u>\$ 1,578,823,180</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 69.90		\$ 69.90	

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - RECEIVABLES

Receivables at June 30, 2019 consisted of taxes, accounts (billings for user charged services, rentals and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities

Property taxes	\$ 50,510,608
Accounts	13,596
Intergovernmental	720,001
Accrued interest	<u>111,670</u>
Total governmental activities	<u><u>\$ 51,355,875</u></u>

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

NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE

In fiscal year 2018, the District entered into a capital lease agreement for the acquisition of buses. In prior years, the District entered into a capital lease agreement for copiers. These leases meet the criteria of a capital lease as defined by GASB which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the statement of revenues, expenditures and changes in fund balances - general fund. These expenditures are reflected as program/function expenditures on a budgetary basis. Capital assets acquired by lease have been capitalized in the amount of \$1,244,188, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2019 was \$592,988 leaving a current book value of \$651,200.

A corresponding liability was recorded in the statement of net position. Principal payments in the 2019 fiscal year totaled \$221,617. This amount is reflected as debt service principal retirement in the general fund and permanent improvement fund (a nonmajor governmental fund) and as a reduction to the long-term liabilities reported on the statement of net position. The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2019.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2020	\$ 143,055
2021	143,146
2022	143,172
2023	<u>144,130</u>
Total future required payments	573,503
Less: amount representing interest	<u>(30,503)</u>
Present value of minimum lease payments	<u><u>\$ 543,000</u></u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year-ended June 30, 2019, was as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,576,787	\$ -	\$ -	\$ 2,576,787
Construction in progress	<u>4,748,342</u>	<u>25,108,733</u>	<u>-</u>	<u>29,857,075</u>
Total capital assets, not being depreciated	<u>7,325,129</u>	<u>25,108,733</u>	<u>-</u>	<u>32,433,862</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	249,807	109,860	-	359,667
Buildings and improvements	136,549,053	1,155	-	136,550,208
Furniture and equipment	8,411,198	326,814	(32,056)	8,705,956
Vehicles	4,398,429	222,739	(271,767)	4,349,401
Textbooks and library books	<u>4,170,521</u>	<u>-</u>	<u>-</u>	<u>4,170,521</u>
Total capital assets, being depreciated	<u>153,779,008</u>	<u>660,568</u>	<u>(303,823)</u>	<u>154,135,753</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(99,124)	(21,553)	-	(120,677)
Buildings and improvements	(31,261,764)	(2,626,321)	-	(33,888,085)
Furniture and equipment	(6,451,088)	(383,825)	30,259	(6,804,654)
Vehicles	(2,808,305)	(252,812)	266,813	(2,794,304)
Textbooks and library books	<u>(4,170,521)</u>	<u>-</u>	<u>-</u>	<u>(4,170,521)</u>
Total accumulated depreciation	<u>(44,790,802)</u>	<u>(3,284,511)</u>	<u>297,072</u>	<u>(47,778,241)</u>
Governmental activities capital assets, net	<u>\$ 116,313,335</u>	<u>\$ 22,484,790</u>	<u>\$ (6,751)</u>	<u>\$ 138,791,374</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,955,822
Special	131,818
Vocational	43,707
Adult/continuing	176
Support Services:	
Pupil	96,585
Instructional staff	146,944
Administration	105,906
Fiscal	8,019
Business	93,656
Operations and maintenance	200,303
Pupil transportation	270,277
Central	20,414
Operation of non instructional services:	
Food service operations	98,432
Extracurricular activities	<u>112,452</u>
Total depreciation expense	<u><u>\$ 3,284,511</u></u>

NOTE 10 - LONG-TERM OBLIGATIONS

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

<u>Debt Issue</u>	<u>Issue Date</u>	<u>Issue Amount</u>	<u>Rate</u>	<u>Maturity</u>
General Obligation Bonds:				
School Improvements - Series 2010	2010	\$ 84,055,000	1.5-6.028%	December 1, 2043
School Improvements				
Refunding - Series 2011	2011	\$ 6,540,000	3.40-5.0%	December 1, 2027
School Improvements				
Restructuring - Series 2014	2014	\$ 2,830,000	2.29-4.50%	December 1, 2025
School Improvements				
Refunding - Series 2014	2014	\$ 55,700,000	2.00-5.00%	December 1, 2043
School Improvements - Series 2016	2016	\$ 9,190,000	1.15-4.25%	December 1, 2044
School Improvements - Series 2017	2017	\$ 24,440,000	3.00-7.00%	December 1, 2050

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

During fiscal year 2019, the following changes occurred in governmental activities long-term obligations.

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due in One Year</u>
Governmental activities					
General Obligation bonds:					
School improvements - Series 2010:					
Serial bonds	\$ 2,000,000	\$ -	\$ (895,000)	\$ 1,105,000	\$ 1,105,000
Unamortized premium	831,081	-	(98,736)	732,345	-
Sinking fund bonds	11,260,000	-	-	11,260,000	-
School improvements refunding - Series 2011:					
Serial bonds	4,590,000	-	(425,000)	4,165,000	435,000
Unamortized premium	230,225	-	(24,449)	205,776	-
Capital appreciation bonds	180,000	-	-	180,000	-
Accretion on capital appreciation bonds	164,048	35,464	-	199,512	-
School improvements restructuring - Series 2014:					
Serial bonds	2,830,000	-	(430,000)	2,400,000	490,000
School improvements refunding - Series 2014:					
Serial bonds	33,060,000	-	-	33,060,000	-
Term bonds	22,490,000	-	-	22,490,000	-
Unamortized premium	2,212,833	-	(87,062)	2,125,771	-
School improvements - Series 2016:					
Serial bonds	6,440,000	-	(70,000)	6,370,000	70,000
Term bonds	2,685,000	-	-	2,685,000	-
Unamortized premium	365,606	-	(14,385)	351,221	-
School improvements - Series 2017:					
Serial bonds	7,665,000	-	(225,000)	7,440,000	280,000
Term bonds	16,310,000	-	-	16,310,000	-
Unamortized premium	101,463	-	(3,230)	98,233	-
Total general obligation bonds	<u>113,415,256</u>	<u>35,464</u>	<u>(2,272,862)</u>	<u>111,177,858</u>	<u>2,380,000</u>
Net pension liability	64,708,091	-	(5,755,051)	58,953,040	-
Net OPEB liability	15,334,441	-	(7,991,298)	7,343,143	-
Total liability	<u>80,042,532</u>	<u>-</u>	<u>(13,746,349)</u>	<u>66,296,183</u>	<u>-</u>
Capital lease obligation	764,617	-	(221,617)	543,000	131,000
Compensated absences	3,870,514	401,378	(331,824)	3,940,068	199,176
Total long-term liabilities	<u>\$ 198,092,919</u>	<u>\$ 436,842</u>	<u>\$ (16,572,652)</u>	<u>\$ 181,957,109</u>	<u>\$ 2,710,176</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

School Improvement Bonds - Series 2010

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

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

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

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

School Improvement Refunding Bonds - Series 2011

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The bonds were sold at a premium of \$393,218. Proceeds of \$6,967,612 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 2003 school improvement bonds. As a result, \$6,540,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2019, the outstanding amount of the refunded bonds is \$4,520,000.

The serial bonds were issued for a 15-year period with a final maturity at December 1, 2027. The capital appreciation bonds were issued for a 9-year period with a final maturity at December 1, 2021 in the amount of \$485,000. At June 30, 2019, a total of \$199,512 in accreted interest has been recorded on the capital appreciation bonds. The bonds are being retired from the bond retirement fund. The 2011 school improvement refunding bonds are not subject to redemption prior to stated maturity.

The reacquisition price exceeded the net carrying amount of the old debt by \$395,389. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

School Improvement Restructuring Bonds - Series 2014

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

Proceeds of \$2,995,303 (including District contributions of \$203,803 less underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the restructured portion of the 2010 school improvement serial bonds. As a result, \$2,830,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. The restructured bonds were retired during fiscal year 2017.

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

School Improvement Refunding Bonds - Series 2014

On December 11, 2014, the District issued \$55,700,000, in general obligation refunding bonds, which included \$33,210,000 in serial bonds and \$22,490,000 in term bonds with interest rates varying from 2.0 percent to 5.0 percent. The final stated maturity on the issue is December 1, 2043. Proceeds were used to advance refund \$57,165,000 of the outstanding 2003 school improvement BAB's.

The bonds were sold at a premium of \$2,517,550. Proceeds of \$57,716,291 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2010 school improvement BAB's. As a result, \$57,165,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2019, the outstanding amount of the refunded bonds is \$57,165,000.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

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

The reacquisition price exceeded the net carrying amount of the old debt by \$551,291. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

School Improvement Bonds - Series 2016

In 2016, the District issued \$9,190,000, in general obligation school improvement bonds, including \$6,505,000 in serial bonds and \$2,685,000 in term Build America Bonds (BABs). Proceeds from the bond issue are being used to construct, renovate, remodel, add to, furnish, equip or otherwise improve school district buildings and facilities. The bonds were sold at a premium of \$387,183. Principal payments on the bonds are due December 1 of each year while interest payments are due on June 1 and December 1 of each year.

The serial bonds were issued for a twenty-one-year period with a final maturity at December 1, 2038. The serial bonds mature on December 1 in each year 2018 through 2038 and bear interest rates ranging from 1.15 percent to 4.25 percent. The serial bonds are not subject to redemption prior to maturity.

The term bonds were issued for six-year period with a final maturity at December 1, 2044. The term bonds mature on December 1 in each year 2039 through 2044 and bear interest rates ranging from 4.25 percent to 4.50 percent. The serial bonds are not subject to redemption prior to maturity.

School Improvement Bonds - Series 2017

In 2017, the District issued \$24,440,000, in general obligation school improvement bonds, including \$8,130,000 in serial bonds and \$16,310,000 in term Build America Bonds (BABs). Proceeds from the bond issue are being used to construct, renovate, remodel, add to, furnish, equip or otherwise improve school district buildings and facilities. The bonds were sold at a premium of \$105,500. Principal payments on the bonds are due December 1 of each year while interest payments are due on June 1 and December 1 of each year.

The serial bonds were issued for a twenty-one-year period with a final maturity at December 1, 2038. The term bonds mature on December 1 in each year 2018 through 2038 and bear interest rates ranging from 3.00 percent to 7.00 percent. The serial bonds are not subject to redemption prior to maturity.

The term bonds were issued for a twelve-year period with a final maturity at December 1, 2050. The serial bonds mature on December 1 in each year 2039 through 2050 and bear interest rates ranging from 3.625 percent to 4.00 percent. The serial bonds are not subject to redemption prior to maturity. At June 30, 2019, \$3,777,615 of the proceeds were unspent by the District.

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Future Debt Service Requirements

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2019, are as follows:

Fiscal Year Ending,	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 2,380,000	\$ 7,699,146	\$ -	\$ -	\$ 2,380,000	\$ 7,699,146
2021	2,515,000	7,622,520	-	-	2,515,000	7,622,520
2022	2,090,000	7,584,409	180,000	305,000	2,270,000	7,889,409
2023	2,830,000	7,550,261	-	-	2,830,000	7,550,261
2024	2,895,000	7,512,257	-	-	2,895,000	7,512,257
2025 - 2029	14,810,000	26,918,405	-	-	14,810,000	26,918,405
2030 - 2034	16,300,000	14,102,563	-	-	16,300,000	14,102,563
2035 - 2039	23,185,000	10,169,894	-	-	23,185,000	10,169,894
2040 - 2044	29,430,000	5,112,020	-	-	29,430,000	5,112,020
2045 - 2049	8,815,000	1,322,900	-	-	8,815,000	1,322,900
2050	2,035,000	40,700	-	-	2,035,000	40,700
Total	<u>\$ 107,285,000</u>	<u>\$ 95,635,075</u>	<u>\$ 180,000</u>	<u>\$ 305,000</u>	<u>\$ 107,465,000</u>	<u>\$ 95,940,075</u>

Net Pension Liability

The District pays obligations related to employee compensation from the fund benefitting from their service which, for the District, is primarily the general fund. See Note 13 for further detail on the District's net pension liability.

Net OPEB Liability/Asset

The District pays obligations related to employee compensation from the fund benefitting from their service which, for the District, is primarily the general fund. See Note 14 for further detail on the District's net OPEB liability/asset.

Capital Lease Obligation

See Note 8 for further detail on the District's capital lease obligation.

Compensated Absences

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

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2019, are a voted debt margin of \$43,994,678 including available funds of \$9,365,592 and an unvoted debt margin of \$1,578,823.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Insurance Benefits

The District provides term life insurance and accidental death and dismemberment insurance to eligible employees through Anthem Life Insurance, in the amount of \$50,000 or \$25,000 for all certified employees depending upon full and part time teaching, \$50,000 or \$30,000 for all noncertified employees depending upon the number of years each employee worked, and \$70,000 for each administrator except the superintendent and treasurer which are three times annual compensation and \$300,000, respectively.

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2019, the District is contracted with the Ohio School Plan to provide property, fleet and liability insurance, as well as boiler and machinery coverage. There is a \$1,000 deductible with an agreed value co-insurance for property and a \$1,000 deductible for boiler and machinery coverage. There is no deductible for general liability.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 12 - RISK MANAGEMENT - (Continued)

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

B. Employee Medical Benefits

The District is a member of the Suburban Health Consortium, a shared risk pool (Note 2.A.) to provide employee medical, surgical, prescription drug, vision and dental benefits. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. For fiscal year 2019, the District paid 85% of the cost of the monthly insurance premium for certified, classified and administrative employees.

C. Workers' Compensation

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. During fiscal year 2019, the District was enrolled in a Group Retrospective rating program offered by the Ohio Bureau of Worker's Compensation and administered by CompManagement Inc.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The District's contractually required contribution to SERS was \$1,231,029 for fiscal year 2019. Of this amount, \$87,421 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$3,209,127 for fiscal year 2019. Of this amount, \$511,576 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.26905890%	0.20472312%	
Proportion of the net pension liability current measurement date	<u>0.26270410%</u>	<u>0.19969065%</u>	
Change in proportionate share	<u>-0.00635480%</u>	<u>-0.00503247%</u>	
Proportionate share of the net pension liability	\$ 15,045,550	\$ 43,907,490	\$ 58,953,040
Pension expense	\$ 858,280	\$ 2,188,272	\$ 3,046,552

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 825,152	\$ 1,013,521	\$ 1,838,673
Changes of assumptions	339,762	7,781,236	8,120,998
Difference between District contributions and proportionate share of contributions/ change in proportionate share	5,891	-	5,891
Contributions subsequent to the measurement date	<u>1,231,029</u>	<u>3,209,127</u>	<u>4,440,156</u>
Total deferred outflows of resources	<u>\$ 2,401,834</u>	<u>\$ 12,003,884</u>	<u>\$ 14,405,718</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 286,742	\$ 286,742
Net difference between projected and actual earnings on pension plan investments	416,869	2,662,505	3,079,374
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>390,411</u>	<u>3,910,007</u>	<u>4,300,418</u>
Total deferred inflows of resources	<u>\$ 807,280</u>	<u>\$ 6,859,254</u>	<u>\$ 7,666,534</u>

\$4,440,156 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$ 816,126	\$ 1,736,222	\$ 2,552,348
2021	169,000	1,407,721	1,576,721
2022	(493,754)	(441,513)	(935,267)
2023	<u>(127,847)</u>	<u>(766,927)</u>	<u>(894,774)</u>
Total	<u>\$ 363,525</u>	<u>\$ 1,935,503</u>	<u>\$ 2,299,028</u>

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 21,192,792	\$ 15,045,550	\$ 9,891,499

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below:

	July 1, 2018
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation**	Long Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 64,121,110	\$ 43,907,490	\$ 26,799,404

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$148,494.

**WESTLAKE CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$194,088 for fiscal year 2019. Of this amount, \$151,732 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB			
liability prior measurement date	0.27375630%	0.20472312%	
Proportion of the net OPEB			
liability/asset current measurement date	<u>0.26468740%</u>	<u>0.19969065%</u>	
Change in proportionate share	<u>-0.00906890%</u>	<u>-0.00503247%</u>	
Proportionate share of the net			
OPEB liability	\$ 7,343,143	\$ -	\$ 7,343,143
Proportionate share of the net			
OPEB asset	\$ -	\$ (3,208,825)	\$ (3,208,825)
OPEB expense	\$ 290,435	\$ (7,054,238)	\$ (6,763,803)

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 119,866	\$ 374,797	\$ 494,663
Contributions subsequent to the measurement date	<u>194,088</u>	<u>-</u>	<u>194,088</u>
Total deferred outflows of resources	<u>\$ 313,954</u>	<u>\$ 374,797</u>	<u>\$ 688,751</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 186,957	\$ 186,957
Net difference between projected and actual earnings on pension plan investments	11,016	366,582	377,598
Changes of assumptions	659,727	4,372,279	5,032,006
Difference between District contributions and proportionate share of contributions/change in proportionate share	<u>327,935</u>	<u>501,782</u>	<u>829,717</u>
Total deferred inflows of resources	<u>\$ 998,678</u>	<u>\$ 5,427,600</u>	<u>\$ 6,426,278</u>

\$194,088 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$ (340,558)	\$ (909,184)	\$ (1,249,742)
2021	(277,871)	(909,184)	(1,187,055)
2022	(79,356)	(909,184)	(988,540)
2023	(74,668)	(825,933)	(900,601)
2024	(75,431)	(796,725)	(872,156)
Thereafter	<u>(30,928)</u>	<u>(702,593)</u>	<u>(733,521)</u>
Total	<u>\$ (878,812)</u>	<u>\$ (5,052,803)</u>	<u>\$ (5,931,615)</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
Prior measurement date	3.56%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.70%
Prior measurement date	3.63%
Medical trend assumption:	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	\$ 8,910,327	\$ 7,343,143	\$ 6,102,227

	1% Decrease (6.25 % decreasing to 3.75 %)	Current Trend Rate (7.25 % decreasing to 4.75 %)	1% Increase (8.25 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	\$ 5,924,570	\$ 7,343,143	\$ 9,221,590

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017, are presented below:

	July 1, 2018	July 1, 2017
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%, effective July 1, 2017
Discounted rate of return	7.45%	N/A
Blended discount rate of return	N/A	4.13%
Health care cost trends		6 to 11% initial, 4.50% ultimate
	Initial	Ultimate
Medical		
Pre-Medicare	6.00%	4.00%
Medicare	5.00%	4.00%
Prescription Drug		
Pre-Medicare	8.00%	4.00%
Medicare	-5.23%	4.00%

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation**	Long Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	\$ 2,750,263	\$ 3,208,825	\$ 3,594,224
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,572,468	\$ 3,208,825	\$ 2,839,517

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 15 - CONTINGENCIES - (Continued)

C. Foundation Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2019 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

NOTE 16 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 992,327
Building	5,238,023
Other governmental	<u>1,784,374</u>
Total	<u>\$ 8,014,724</u>

NOTE 17 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2018	\$ -
Current year set-aside requirement	607,766
Current year qualifying expenditures	<u>(858,540)</u>
Total	<u>\$ (250,774)</u>
Balance carried forward to fiscal year 2020	<u>\$ -</u>
Set-aside balance June 30, 2019	<u>\$ -</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (1,349,397)
Net adjustment for revenue accruals	2,356,061
Net adjustment for expenditure accruals	(216,977)
Net adjustment for other sources/uses	(382,246)
Funds budgeted elsewhere	29,278
Adjustment for encumbrances	<u>1,299,123</u>
GAAP basis	<u><u>\$ 1,735,842</u></u>

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Westlake has entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program are direct incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Due to the CRA agreements entered into by the City of Westlake, the District’s property taxes were reduced by \$2,045,647 in fiscal year 2019. The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

NOTE 20 - LEASE WITH OPTION TO PURCHASE AGREEMENT

On July 19, 2017, the District entered into a Lease with Option to Purchase Agreement (the “Agreement”) with the City of Westlake (the “City”) for the land and building known as Parkside Elementary School whose address is 24525 Hilliard Blvd, Westlake, Ohio. The initial term of the lease shall commence on July 19, 2017 and will expire on the earlier of either (1) two years after the District discontinues the use of the leased premises for school administrative purposes, or (2) July 18, 2027. The District pays base rent of \$1 annually under the Agreement. The District may, at its sole option, purchase the leased property for \$700,000 as outlined in the Agreement.

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.26270410%	0.26905890%	0.27119170%	0.28263580%
District's proportionate share of the net pension liability	\$ 15,045,550	\$ 16,075,675	\$ 19,848,730	\$ 16,127,473
District's covered payroll	\$ 8,780,785	\$ 8,748,650	\$ 8,365,800	\$ 8,508,816
District's proportionate share of the net pension liability as a percentage of its covered payroll	171.35%	183.75%	237.26%	189.54%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.27893800%	0.27893800%
\$ 14,116,893	\$ 16,587,548
\$ 8,105,375	\$ 8,292,471
174.17%	200.03%
71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.19969065%	0.20472312%	0.21316412%	0.21933350%
District's proportionate share of the net pension liability	\$ 43,907,490	\$ 48,632,416	\$ 71,352,456	\$ 60,617,364
District's covered payroll	\$ 22,952,614	\$ 22,400,429	\$ 22,329,993	\$ 22,883,779
District's proportionate share of the net pension liability as a percentage of its covered payroll	191.30%	217.10%	319.54%	264.89%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2015	2014
0.23516789%	0.23516789%
\$ 57,200,969	\$ 68,137,421
\$ 24,027,662	\$ 25,656,777
238.06%	265.57%
74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,231,029	\$ 1,185,406	\$ 1,224,811	\$ 1,171,212
Contributions in relation to the contractually required contribution	<u>(1,231,029)</u>	<u>(1,185,406)</u>	<u>(1,224,811)</u>	<u>(1,171,212)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 9,118,733	\$ 8,780,785	\$ 8,748,650	\$ 8,365,800
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,121,462	\$ 1,123,405	\$ 1,147,678	\$ 1,087,963	\$ 1,039,322	\$ 1,062,728
<u>(1,121,462)</u>	<u>(1,123,405)</u>	<u>(1,147,678)</u>	<u>(1,087,963)</u>	<u>(1,039,322)</u>	<u>(1,062,728)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,508,816	\$ 8,105,375	\$ 8,292,471	\$ 8,088,944	\$ 8,268,274	\$ 7,848,804
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 3,209,127	\$ 3,213,366	\$ 3,136,060	\$ 3,126,199
Contributions in relation to the contractually required contribution	<u>(3,209,127)</u>	<u>(3,213,366)</u>	<u>(3,136,060)</u>	<u>(3,126,199)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 22,922,336	\$ 22,952,614	\$ 22,400,429	\$ 22,329,993
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 3,203,729	\$ 3,123,596	\$ 3,335,381	\$ 3,261,763	\$ 3,218,832	\$ 3,111,261
<u>(3,203,729)</u>	<u>(3,123,596)</u>	<u>(3,335,381)</u>	<u>(3,261,763)</u>	<u>(3,218,832)</u>	<u>(3,111,261)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,883,779	\$ 24,027,662	\$ 25,656,777	\$ 25,090,485	\$ 24,760,246	\$ 23,932,777
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.26468740%	0.27375630%	0.27510210%
District's proportionate share of the net OPEB liability	\$ 7,343,143	\$ 7,346,900	\$ 7,841,427
District's covered payroll	\$ 8,780,785	\$ 8,748,650	\$ 8,365,800
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	83.63%	83.98%	93.73%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.19969065%	0.20472312%	0.21316412%
District's proportionate share of the net OPEB liability/(asset)	\$ (3,208,825)	\$ 7,987,541	\$ 11,400,073
District's covered payroll	\$ 22,952,614	\$ 22,400,429	\$ 22,329,993
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	13.98%	35.66%	51.05%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 194,088	\$ 178,790	\$ 152,551	\$ 140,400
Contributions in relation to the contractually required contribution	<u>(194,088)</u>	<u>(178,790)</u>	<u>(152,551)</u>	<u>(140,400)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 9,118,733	\$ 8,780,785	\$ 8,748,650	\$ 8,365,800
Contributions as a percentage of covered payroll	2.13%	2.04%	1.74%	1.68%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 180,055	\$ 117,161	\$ 133,554	\$ 169,897	\$ 237,626	\$ 186,396
<u>(180,055)</u>	<u>(117,161)</u>	<u>(133,554)</u>	<u>(169,897)</u>	<u>(237,626)</u>	<u>(186,396)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,508,816	\$ 8,105,375	\$ 8,292,471	\$ 8,088,944	\$ 8,268,274	\$ 7,848,804
2.12%	1.45%	1.61%	2.10%	2.87%	2.37%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 22,922,336	\$ 22,952,614	\$ 22,400,429	\$ 22,329,993
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 246,777	\$ 256,568	\$ 250,905	\$ 247,602	\$ 239,328
-	(246,777)	(256,568)	(250,905)	(247,602)	(239,328)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,883,779	\$ 24,027,662	\$ 25,656,777	\$ 25,090,485	\$ 24,760,246	\$ 23,932,777
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

(Continued)

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in trend rates from 6.00%-11.00 initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

MAJOR FUNDS

General Fund

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

OTHER MAJOR FUNDS

Bond Retirement Fund

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

Building Fund

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

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
From local sources:				
Property taxes	\$ 39,900,230	\$ 37,803,090	\$ 40,661,038	\$ 2,857,948
Payment in lieu of taxes	572,332	542,250	583,245	40,995
Tuition	518,610	491,352	528,499	37,147
Transportation fees	51,730	49,011	52,716	3,705
Earnings on investments	391,689	371,102	399,158	28,056
Extracurricular.	107,348	101,706	109,395	7,689
Classroom materials and fees	6,251	5,922	6,370	448
Rental income.	73,272	69,421	74,669	5,248
Contract services	24,124	22,856	24,584	1,728
Other local revenues	36,332	34,423	37,025	2,602
Intergovernmental - state	7,756,104	7,348,446	7,903,995	555,549
Intergovernmental - federal	103,465	98,027	105,438	7,411
Total revenues.	<u>49,541,487</u>	<u>46,937,606</u>	<u>50,486,132</u>	<u>3,548,526</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	14,920,284	14,467,333	14,467,333	-
Fringe benefits	5,237,977	5,068,933	5,068,933	-
Purchased services	638,472	617,867	617,867	-
Supplies	791,993	766,433	766,433	-
Capital outlay	14,011	13,559	13,559	-
Other	47,772	46,230	46,230	-
Total regular	<u>21,650,509</u>	<u>20,980,355</u>	<u>20,980,355</u>	<u>-</u>
Special:				
Salaries and wages	5,447,771	5,224,083	5,222,989	1,094
Fringe benefits	2,294,861	2,223,112	2,220,799	2,313
Purchased services	465,655	451,096	450,627	469
Supplies	8,009	7,759	7,751	8
Capital outlay	7,133	6,910	6,903	7
Total special	<u>8,223,429</u>	<u>7,912,960</u>	<u>7,909,069</u>	<u>3,891</u>
Vocational:				
Salaries and wages	135,226	138,328	138,328	-
Fringe benefits	42,475	43,040	43,040	-
Purchased services	891,304	901,248	901,248	-
Total vocational	<u>1,069,005</u>	<u>1,082,616</u>	<u>1,082,616</u>	<u>-</u>
Other:				
Salaries and wages	12,408	10,303	10,303	-
Fringe benefits	7,330	6,086	6,086	-
Purchased services	1,491,069	1,238,040	1,238,040	-
Total other	<u>1,510,807</u>	<u>1,254,429</u>	<u>1,254,429</u>	<u>-</u>
Total instruction	<u>32,453,750</u>	<u>31,230,360</u>	<u>31,226,469</u>	<u>3,891</u>
Support Services:				
Pupil:				
Salaries and wages	2,168,119	2,069,704	2,069,623	81
Fringe benefits	903,548	862,548	862,500	48
Purchased services	1,107,744	1,057,446	1,057,420	26
Supplies	21,764	20,787	20,775	12
Other	23,968	22,888	22,879	9
Total pupil	<u>4,225,143</u>	<u>4,033,373</u>	<u>4,033,197</u>	<u>176</u>

(Continued)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Instructional staff:				
Salaries and wages	1,018,627	969,203	969,203	-
Fringe benefits	448,587	434,110	434,110	-
Purchased services	139,856	135,342	135,342	-
Supplies	35,163	34,028	34,028	-
Capital outlay	72,884	70,532	70,532	-
Other	5,859	5,670	5,670	-
Total instructional staff	<u>1,720,976</u>	<u>1,648,885</u>	<u>1,648,885</u>	<u>-</u>
Board of Education:				
Salaries and wages	10,766	10,125	10,125	-
Fringe benefits	2,305	2,231	2,231	-
Purchased services	7,578	7,333	7,333	-
Supplies	3,572	3,457	3,457	-
Other	10,948	10,595	10,595	-
Total board of education	<u>35,169</u>	<u>33,741</u>	<u>33,741</u>	<u>-</u>
Administration:				
Salaries and wages	1,856,169	1,699,170	1,699,142	28
Fringe benefits	961,462	880,140	880,126	14
Purchased services	244,347	223,680	223,676	4
Supplies	10,600	9,703	9,703	-
Other	137,995	126,323	126,321	2
Total administration.	<u>3,210,573</u>	<u>2,939,016</u>	<u>2,938,968</u>	<u>48</u>
Fiscal:				
Salaries and wages	401,611	404,788	404,605	183
Fringe benefits	184,958	186,422	186,338	84
Purchased services	26,674	26,885	26,873	12
Supplies	70,351	70,908	70,876	32
Capital outlay	39,704	40,018	40,000	18
Other	565,766	570,244	569,987	257
Total fiscal	<u>1,289,064</u>	<u>1,299,265</u>	<u>1,298,679</u>	<u>586</u>
Business:				
Salaries and wages	325,256	314,384	314,384	-
Fringe benefits	148,975	144,167	144,167	-
Purchased services	123,732	119,739	119,739	-
Supplies	2,196	2,125	2,125	-
Other	1,763	1,706	1,706	-
Total business.	<u>601,922</u>	<u>582,121</u>	<u>582,121</u>	<u>-</u>

(Continued)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operations and maintenance:				
Salaries and wages	2,027,523	2,072,966	2,072,966	-
Fringe benefits	918,849	939,443	939,443	-
Purchased services	2,084,641	2,131,364	2,131,364	-
Supplies	347,713	355,506	355,506	-
Capital outlay	40,672	41,584	41,584	-
Total operations and maintenance	<u>5,419,398</u>	<u>5,540,863</u>	<u>5,540,863</u>	<u>-</u>
Pupil transportation:				
Salaries and wages	2,139,290	2,032,155	2,032,155	-
Fringe benefits	964,417	916,120	916,120	-
Purchased services	247,509	235,114	235,114	-
Supplies	376,257	357,414	357,414	-
Capital outlay	19,197	18,236	18,236	-
Other	142	135	135	-
Total pupil transportation	<u>3,746,812</u>	<u>3,559,174</u>	<u>3,559,174</u>	<u>-</u>
Central:				
Salaries and wages	260,653	248,322	248,322	-
Fringe benefits	99,630	96,415	96,415	-
Purchased services.	123,640	119,650	119,650	-
Supplies	4,552	4,405	4,405	-
Other	295	285	285	-
Total central.	<u>488,770</u>	<u>469,077</u>	<u>469,077</u>	<u>-</u>
Total support services	<u>20,737,827</u>	<u>20,105,515</u>	<u>20,104,705</u>	<u>810</u>
Operation of non-instructional services:				
Academic and subject oriented activities:				
Purchased services.	35,200	35,200	35,200	-
Total operation of non-instructional services .	<u>35,200</u>	<u>35,200</u>	<u>35,200</u>	<u>-</u>
Extracurricular activities:				
Academic and subject oriented activities:				
Salaries and wages	146,630	125,997	125,997	-
Fringe benefits	19,550	16,799	16,799	-
Total academic and subject oriented activities	<u>166,180</u>	<u>142,796</u>	<u>142,796</u>	<u>-</u>
Sports oriented activities:				
Salaries and wages	654,947	562,786	562,786	-
Fringe benefits	156,405	134,397	134,397	-
Total sports oriented activities	<u>811,352</u>	<u>697,183</u>	<u>697,183</u>	<u>-</u>
Total extracurricular activities	<u>977,532</u>	<u>839,979</u>	<u>839,979</u>	<u>-</u>

(Continued)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Facilities acquisition and construction:				
Site improvement services				
Purchased services	66,148	10,788	10,788	-
Total facilities acquisition and construction . .	66,148	10,788	10,788	-
Total expenditures	54,270,457	52,221,842	52,217,141	4,701
Excess of revenues over (under) expenditures	(4,728,970)	(5,284,236)	(1,731,009)	3,553,227
Other financing sources (uses):				
Refund of prior year's expenditures	410,318	388,752	418,142	29,390
Transfers (out).	-	(16,185)	(16,185)	-
Advances in.	250,266	237,112	255,038	17,926
Advances (out).	-	(285,669)	(285,669)	-
Other uses.	-	(50,000)	-	50,000
Sale of capital assets	10,094	9,563	10,286	723
Total other financing sources (uses)	670,678	283,573	381,612	98,039
Net change in fund balance	(4,058,292)	(5,000,663)	(1,349,397)	3,651,266
Fund balance at beginning of year	24,452,491	24,452,491	24,452,491	-
Prior year encumbrances appropriated . .	1,106,910	1,106,910	1,106,910	-
Fund balance at end of year.	<u>\$ 21,501,109</u>	<u>\$ 20,558,738</u>	<u>\$ 24,210,004</u>	<u>\$ 3,651,266</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Property taxes	\$ 6,148,666	\$ 6,290,561	\$ 141,895
Intergovernmental - State	515,170	527,059	11,889
Intergovernmental-federal	529,603	541,825	12,222
Total revenues	<u>7,193,439</u>	<u>7,359,445</u>	<u>166,006</u>
Expenditures:			
Current:			
Support Services:			
Administration:			
Other.	32,895	14,884	18,011
Total administration	<u>32,895</u>	<u>14,884</u>	<u>18,011</u>
Fiscal:			
Other.	162,870	73,694	89,176
Total fiscal	<u>162,870</u>	<u>73,694</u>	<u>89,176</u>
Debt service:			
Principal retirement	4,519,620	2,045,000	2,474,620
Interest and fiscal charges	9,783,961	4,426,965	5,356,996
Total debt service.	<u>14,303,581</u>	<u>6,471,965</u>	<u>7,831,616</u>
Total expenditures	<u>14,499,346</u>	<u>6,560,543</u>	<u>7,938,803</u>
Net change in fund balance	(7,305,907)	798,902	8,104,809
Fund balance at beginning of year	<u>7,305,907</u>	<u>7,305,907</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 8,104,809</u>	<u>\$ 8,104,809</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 550,000	\$ 750,844	\$ 200,844
Total revenues.	<u>550,000</u>	<u>750,844</u>	<u>200,844</u>
Expenditures:			
Facilities acquisition and construction:			
Architecture and engineering services:			
Purchased services	7,131,976	7,033,711	98,265
Building acquisition and construction services:			
Purchased services	1,583,701	1,561,881	21,820
Capital outlay	20,810,032	20,523,311	286,721
Other facilities acquisition and construction services:			
Purchased services	500,982	494,079	6,903
Supplies	245,361	241,980	3,381
Capital outlay	1,183,461	1,167,155	16,306
Other	<u>126,320</u>	<u>124,580</u>	<u>1,740</u>
Total facilities acquisition and construction .	<u>31,581,833</u>	<u>31,146,697</u>	<u>435,136</u>
Total expenditures	<u>31,581,833</u>	<u>31,146,697</u>	<u>435,136</u>
Net change in fund balance	(31,031,833)	(30,395,853)	635,980
Fund balance at beginning of year	26,668,533	26,668,533	-
Prior year encumbrances appropriated . .	4,363,300	4,363,300	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 635,980</u>	<u>\$ 635,980</u>

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

Nonmajor Special Revenue Funds

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

Food Service Fund

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

Local Grants Fund

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

Professional Development Grant Fund

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

Athletic and Music Fund

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

Auxiliary Services Fund

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

Data Communications Support Fund

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

College Credit Plus Teacher Credential Grant Fund

This fund accounts for grant monies that are legally restricted to expenditures for teacher credentials.

IDEA, Part B Special Education Fund

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

Limited English Proficiency Fund

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

Title I Fund

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

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

Nonmajor Special Revenue Funds - (Continued)

Early Childhood Education Development Fund

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

Improving Teacher Quality Fund

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

Miscellaneous Federal Grants Fund

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

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

Uniform School Supplies Fund

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

Interdistrict Summer School Fund

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

Community Education Fund

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

Public School Support Fund

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

Nonmajor Capital Projects Fund

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

Permanent Improvement Fund

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

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

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,135,916	\$ 2,250,660	\$ 3,386,576
Receivables:			
Taxes	-	1,182,714	1,182,714
Accounts	3,993	-	3,993
Intergovernmental	245,031	-	245,031
Materials and supplies inventory.	3,873	-	3,873
Inventory held for resale	4,586	-	4,586
Total assets	<u>\$ 1,393,399</u>	<u>\$ 3,433,374</u>	<u>\$ 4,826,773</u>
Liabilities:			
Accounts payable.	\$ 116,773	\$ 78,492	\$ 195,265
Accrued wages and benefits	142,290	-	142,290
Intergovernmental payable	13,098	-	13,098
Pension and postemployment benefits payable . .	37,726	-	37,726
Interfund loans payable.	275,669	1,000,000	1,275,669
Total liabilities.	<u>585,556</u>	<u>1,078,492</u>	<u>1,664,048</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year . .	-	956,470	956,470
Delinquent property tax revenue not available . .	-	29,832	29,832
Intergovernmental revenue not available	56,755	-	56,755
Total deferred inflows of resources	<u>56,755</u>	<u>986,302</u>	<u>1,043,057</u>
Fund Balances:			
Nonspendable:			
Materials and supplies inventory.	3,873	-	3,873
Restricted:			
Capital improvements	-	1,368,580	1,368,580
Food service operations	288,849	-	288,849
Non-public schools	44,901	-	44,901
Special education	3,307	-	3,307
Targeted academic assistance	3,175	-	3,175
Extracurricular	193,713	-	193,713
Other purposes.	224,729	-	224,729
Unassigned (deficit).	(11,459)	-	(11,459)
Total fund balances	<u>751,088</u>	<u>1,368,580</u>	<u>2,119,668</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 1,393,399</u>	<u>\$ 3,433,374</u>	<u>\$ 4,826,773</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ -	\$ 1,132,213	\$ 1,132,213
Earnings on investments	852	1,934	2,786
Charges for services	827,598	-	827,598
Extracurricular	170,385	-	170,385
Contributions and donations	152,442	-	152,442
Other local revenues	10,637	-	10,637
Intergovernmental - state	675,116	15,071	690,187
Intergovernmental - federal	1,674,629	-	1,674,629
	<u>3,511,659</u>	<u>1,149,218</u>	<u>4,660,877</u>
Expenditures:			
Current:			
Instruction:			
Regular	53,283	1,600	54,883
Special	606,848	-	606,848
Adult/continuing	4,140	-	4,140
Other	381,109	-	381,109
Support services:			
Pupil	49,775	-	49,775
Instructional staff	51,953	-	51,953
Administration	4,469	2,519	6,988
Fiscal	-	12,774	12,774
Operations and maintenance	15,410	-	15,410
Pupil transportation	-	197,953	197,953
Central	-	510,058	510,058
Operation of non-instructional services:			
Food service operations	1,251,645	-	1,251,645
Other non-instructional services	741,007	-	741,007
Extracurricular activities	298,591	91,187	389,778
Facilities acquisition and construction	53,406	188,558	241,964
Debt service:			
Principal retirement	-	127,000	127,000
Interest and fiscal charges	-	14,874	14,874
	<u>3,511,636</u>	<u>1,146,523</u>	<u>4,658,159</u>
Excess of revenues over expenditures	<u>23</u>	<u>2,695</u>	<u>2,718</u>
Other financing sources:			
Transfers in	<u>16,185</u>	<u>-</u>	<u>16,185</u>
Net change in fund balances	16,208	2,695	18,903
Fund balances at beginning of year	<u>734,880</u>	<u>1,365,885</u>	<u>2,100,765</u>
Fund balances at end of year	<u><u>\$ 751,088</u></u>	<u><u>\$ 1,368,580</u></u>	<u><u>\$ 2,119,668</u></u>

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

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019**

	Food Service	Local Grants	Professional Development Grant	Athletic and Music
Assets:				
Equity in pooled cash and investments	\$ 391,102	\$ 2,927	\$ 227,494	\$ 206,799
Receivables:				-
Accounts.	54	3,500	-	439
Intergovernmental	-	-	-	-
Materials and supplies inventory	3,873	-	-	-
Inventory held for resale	4,586	-	-	-
Total assets.	<u>\$ 399,615</u>	<u>\$ 6,427</u>	<u>\$ 227,494</u>	<u>\$ 207,238</u>
Liabilities:				
Accounts payable.	\$ 10	\$ -	\$ 900	\$ 11,216
Accrued wages and benefits	82,691	-	-	2,000
Intergovernmental payable	819	-	295	29
Pension and postemployment benefits payable . .	23,373	-	-	280
Interfund loans payable.	-	-	37,500	-
Total liabilities.	<u>106,893</u>	<u>-</u>	<u>38,695</u>	<u>13,525</u>
Deferred inflows of resources:				
Intergovernmental revenue not available.	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory.	3,873	-	-	-
Restricted:				
Food service operations	288,849	-	-	-
Non-public schools	-	-	-	-
Special education	-	-	-	-
Targeted academic assistance	-	-	-	-
Extracurricular	-	-	-	193,713
Other purposes.	-	6,427	188,799	-
Unassigned (deficit).	-	-	-	-
Total fund balances	<u>292,722</u>	<u>6,427</u>	<u>188,799</u>	<u>193,713</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 399,615</u>	<u>\$ 6,427</u>	<u>\$ 227,494</u>	<u>\$ 207,238</u>

Auxiliary Services	Data Communications Support	College Credit Plus Teacher Credential Grant	IDEA, Part B Special Education	Limited English Proficiency	Title I
\$ 148,864	\$ 25,200	\$ 7,858	\$ 97,973	\$ 1,611	\$ -
-	-	-	-	-	-
-	-	-	48,934	44,564	82,321
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 148,864</u>	<u>\$ 25,200</u>	<u>\$ 7,858</u>	<u>\$ 146,907</u>	<u>\$ 46,175</u>	<u>\$ 82,321</u>
\$ 95,075	\$ -	\$ 3,555	\$ 3,530	\$ 1,009	\$ -
7,342	-	-	9,253	-	41,004
63	-	-	8,018	-	595
1,483	-	-	1,583	-	11,007
-	-	-	102,221	45,131	13,270
<u>103,963</u>	<u>-</u>	<u>3,555</u>	<u>124,605</u>	<u>46,140</u>	<u>65,876</u>
-	-	-	29,452	1,036	13,270
-	-	-	29,452	1,036	13,270
-	-	-	-	-	-
-	-	-	-	-	-
44,901	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,175
-	-	-	-	-	-
-	25,200	4,303	-	-	-
-	-	-	(7,150)	(1,001)	-
<u>44,901</u>	<u>25,200</u>	<u>4,303</u>	<u>(7,150)</u>	<u>(1,001)</u>	<u>3,175</u>
<u>\$ 148,864</u>	<u>\$ 25,200</u>	<u>\$ 7,858</u>	<u>\$ 146,907</u>	<u>\$ 46,175</u>	<u>\$ 82,321</u>

(Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019

	Early Childhood Education Development	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and investments	\$ 15,074	\$ 4,169	\$ 6,845	\$ 1,135,916
Receivables:				
Accounts.	-	-	-	3,993
Intergovernmental	12,994	49,669	6,549	245,031
Materials and supplies inventory	-	-	-	3,873
Inventory held for resale	-	-	-	4,586
Total assets.	<u>\$ 28,068</u>	<u>\$ 53,838</u>	<u>\$ 13,394</u>	<u>\$ 1,393,399</u>
Liabilities:				
Accounts payable.	\$ -	\$ 263	\$ 1,215	\$ 116,773
Accrued wages and benefits	-	-	-	142,290
Intergovernmental payable	-	3,279	-	13,098
Pension and postemployment benefits payable . .	-	-	-	37,726
Interfund loans payable	15,074	50,295	12,178	275,669
Total liabilities.	<u>15,074</u>	<u>53,837</u>	<u>13,393</u>	<u>585,556</u>
Deferred inflows of resources:				
Intergovernmental revenue not available.	9,687	3,280	30	56,755
Total deferred inflows of resources	<u>9,687</u>	<u>3,280</u>	<u>30</u>	<u>56,755</u>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory.	-	-	-	3,873
Restricted:				
Food service operations	-	-	-	288,849
Non-public schools	-	-	-	44,901
Special education	3,307	-	-	3,307
Targeted academic assistance	-	-	-	3,175
Extracurricular	-	-	-	193,713
Other purposes.	-	-	-	224,729
Unassigned (deficit).	-	(3,279)	(29)	(11,459)
Total fund balances	<u>3,307</u>	<u>(3,279)</u>	<u>(29)</u>	<u>751,088</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 28,068</u>	<u>\$ 53,838</u>	<u>\$ 13,394</u>	<u>\$ 1,393,399</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Food Service	Local Grants	Professional Development Grant	Athletic and Music
Revenues:				
From local sources:				
Earnings on investments	\$ 526	\$ -	\$ -	\$ -
Charges for services	827,598	-	-	-
Extracurricular	-	-	-	170,385
Contributions and donations	-	3,500	34,591	114,351
Other local revenues	1,127	-	8,458	1,052
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	356,515	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue.	1,185,766	3,500	43,049	285,788
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	7,283	-
Special	-	-	-	-
Adult/continuing	-	-	4,140	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	11,664	-
Administration	-	-	860	-
Operations and maintenance.	-	-	-	-
Operation of non-instructional services:				
Food service operations	1,251,645	-	-	-
Other non-instructional services	-	-	100	-
Extracurricular activities.	-	-	-	298,591
Facilities acquisition and construction	-	-	53,406	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,251,645	-	77,453	298,591
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures.	(65,879)	3,500	(34,404)	(12,803)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources:				
Transfers in.	-	-	6,185	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources.	-	-	6,185	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(65,879)	3,500	(28,219)	(2,803)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at beginning of year	358,601	2,927	217,018	196,516
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year . . .	<u>\$ 292,722</u>	<u>\$ 6,427</u>	<u>\$ 188,799</u>	<u>\$ 193,713</u>

Auxiliary Services	Data Communications Support	College Credit Plus Teacher Credential Grant	IDEA, Part B Special Education	Limited English Proficiency	Title I
\$ 326	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
642,803	12,600	19,713	-	-	-
-	-	-	791,780	46,560	362,182
643,129	12,600	19,713	791,780	46,560	362,182
-	-	-	-	-	-
-	-	-	557,807	45,090	-
-	-	-	-	-	-
-	-	-	-	-	355,924
-	-	-	46,888	2,387	-
-	-	-	11,261	1,671	1,764
-	-	-	-	-	3,609
-	-	15,410	-	-	-
-	-	-	-	-	-
678,682	-	-	39,177	-	8,409
-	-	-	-	-	-
-	-	-	-	-	-
678,682	-	15,410	655,133	49,148	369,706
(35,553)	12,600	4,303	136,647	(2,588)	(7,524)
-	-	-	-	-	-
-	-	-	-	-	-
(35,553)	12,600	4,303	136,647	(2,588)	(7,524)
80,454	12,600	-	(143,797)	1,587	10,699
\$ 44,901	\$ 25,200	\$ 4,303	\$ (7,150)	\$ (1,001)	\$ 3,175

(Continued)

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Early Childhood Education Development	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 852
Charges for services	-	-	-	827,598
Extracurricular	-	-	-	170,385
Contributions and donations	-	-	-	152,442
Other local revenues	-	-	-	10,637
Intergovernmental - state	-	-	-	675,116
Intergovernmental - federal	8,866	78,452	30,274	1,674,629
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue.	8,866	78,452	30,274	3,511,659
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular.	-	46,000	-	53,283
Special	3,951	-	-	606,848
Adult/continuing	-	-	-	4,140
Other	-	-	25,185	381,109
Support services:				
Pupil	500	-	-	49,775
Instructional staff.	879	23,529	1,185	51,953
Administration	-	-	-	4,469
Operations and maintenance.	-	-	-	15,410
Operation of non-instructional services:				
Food service operations	-	-	-	1,251,645
Other non-instructional services	-	10,706	3,933	741,007
Extracurricular activities.	-	-	-	298,591
Facilities acquisition and construction	-	-	-	53,406
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,330	80,235	30,303	3,511,636
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures.	3,536	(1,783)	(29)	23
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources:				
Transfers in.	-	-	-	16,185
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources.	-	-	-	16,185
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	3,536	(1,783)	(29)	16,208
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at beginning of year	(229)	(1,496)	-	734,880
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year . . .	<u>\$ 3,307</u>	<u>\$ (3,279)</u>	<u>\$ (29)</u>	<u>\$ 751,088</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Charges for services	\$ 1,219,889	\$ 827,598	\$ (392,291)
Earnings on investments	775	526	(249)
Other local revenues	1,750	1,187	(563)
Intergovernmental - federal	477,586	324,004	(153,582)
Total revenues.	<u>1,700,000</u>	<u>1,153,315</u>	<u>(546,685)</u>
Expenditures:			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages	820,035	461,295	358,740
Fringe benefits	463,093	260,504	202,589
Purchased services	3,349	1,884	1,465
Supplies	823,310	463,137	360,173
Capital outlay	7,571	4,259	3,312
Total food service operations	<u>2,117,358</u>	<u>1,191,079</u>	<u>926,279</u>
Total expenditures	<u>2,117,358</u>	<u>1,191,079</u>	<u>926,279</u>
Net change in fund balance.	(417,358)	(37,764)	379,594
Fund balance at beginning of year	371,240	371,240	-
Prior year encumbrances appropriated . .	46,118	46,118	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 379,594</u>	<u>\$ 379,594</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund balance at beginning of year	\$ 2,927	\$ 2,927	\$ -
Fund balance at end of year.	<u>\$ 2,927</u>	<u>\$ 2,927</u>	<u>\$ -</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROFESSIONAL DEVELOPMENT GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Contributions and donations	\$ -	\$ 34,591	\$ 34,591
Other local revenues	-	8,458	8,458
Total revenues	-	43,049	43,049
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital outlay	19,377	6,988	12,389
Total regular	19,377	6,988	12,389
Adult/continuing:			
Salaries and wages	9,012	3,250	5,762
Fringe benefits	2,468	890	1,578
Total adult/continuing	11,480	4,140	7,340
Total instruction	30,857	11,128	19,729
Support services:			
Administration:			
Capital outlay	2,385	860	1,525
Total administration	2,385	860	1,525
Instructional staff:			
Purchased services	1,678	605	1,073
Capital outlay	29,845	10,763	19,082
Total instructional staff	31,523	11,368	20,155
Total support services	33,908	12,228	21,680
Operation of non-instructional services:			
Personal services	4,159	1,500	2,659
Total operation of non-instructional services	4,159	1,500	2,659
Facilities acquisition and construction:			
Site improvement services:			
Supplies	148,094	53,407	94,687
Total facilities acquisition and construction	148,094	53,407	94,687
Total expenditures	217,018	78,263	138,755
Excess of revenues (under) expenditures	(217,018)	(35,214)	181,804
Other financing sources:			
Transfers in	-	6,185	6,185
Advances in	-	37,500	37,500
Total other financing sources	-	43,685	43,685
Net change in fund balance	(217,018)	8,471	225,489
Fund balance at beginning of year	217,007	217,007	-
Prior year encumbrances appropriated	11	11	-
Fund balance at end of year	\$ -	\$ 225,489	\$ 225,489

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETIC AND MUSIC FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Extracurricular	\$ 173,838	\$ 172,183	\$ (1,655)
Contributions and donations	115,123	114,027	(1,096)
Other local revenues	1,019	1,009	(10)
Total revenues.	<u>289,980</u>	<u>287,219</u>	<u>(2,761)</u>
Expenditures:			
Extracurricular activities:			
Sports oriented activities:			
Salaries and wages	34,675	20,477	14,198
Fringe benefits	5,033	2,972	2,061
Purchased services	107,165	63,286	43,879
Supplies	97,750	57,726	40,024
Other	258,071	152,404	105,667
Total extracurricular activities.	<u>502,694</u>	<u>296,865</u>	<u>205,829</u>
Total expenditures	<u>502,694</u>	<u>296,865</u>	<u>205,829</u>
Excess of revenues (under) expenditures	<u>(212,714)</u>	<u>(9,646)</u>	<u>203,068</u>
Other financing sources (uses):			
Refund of prior year's expenditures	(75)	(75)	-
Transfers in.	10,096	10,000	(96)
Total other financing sources (uses)	<u>10,021</u>	<u>9,925</u>	<u>(96)</u>
Net change in fund balance	(202,693)	279	202,972
Fund balance at beginning of year	183,527	183,527	-
Prior year encumbrances appropriated	19,166	19,166	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 202,972</u>	<u>\$ 202,972</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 328	\$ 325	\$ (3)
Intergovernmental - state	649,672	642,804	(6,868)
Total revenues.	<u>650,000</u>	<u>643,129</u>	<u>(6,871)</u>
Expenditures:			
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	46,100	45,280	820
Fringe benefits	27,645	27,153	492
Purchased services	382,789	375,979	6,810
Supplies	329,294	323,434	5,860
Capital outlay	47,294	46,452	842
Total other non-instructional services	<u>833,122</u>	<u>818,298</u>	<u>14,824</u>
Total expenditures	<u>833,122</u>	<u>818,298</u>	<u>14,824</u>
Net change in fund balance	(183,122)	(175,169)	7,953
Fund balance at beginning of year	127,121	127,121	-
Prior year encumbrances appropriated	56,001	56,001	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 7,953</u>	<u>\$ 7,953</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - state	\$ 12,600	\$ 12,600	\$ -
Total revenues	<u>12,600</u>	<u>12,600</u>	<u>-</u>
Expenditures:			
Support services:			
Purchased services	<u>25,200</u>	<u>-</u>	<u>25,200</u>
Total expenditures	<u>25,200</u>	<u>-</u>	<u>25,200</u>
Net change in fund balance	(12,600)	12,600	25,200
Fund balance at beginning of year	<u>12,600</u>	<u>12,600</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ 25,200</u></u>	<u><u>\$ 25,200</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COLLEGE CREDIT PLUS TEACHER CREDENTIAL GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - state	\$ 20,000	\$ 19,713	\$ (287)
Total revenues	<u>20,000</u>	<u>19,713</u>	<u>(287)</u>
Expenditures:			
Support services:			
Operations and maintenance			
Supplies	15,525	15,302	223
Capital outlay	4,475	4,411	64
Total expenditures	<u>20,000</u>	<u>19,713</u>	<u>287</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA, PART B SPECIAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 1,158,966	\$ 840,015	\$ (318,951)
Total revenues	<u>1,158,966</u>	<u>840,015</u>	<u>(318,951)</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	60,013	44,834	15,179
Fringe benefits	31,582	23,594	7,988
Purchased services	919,348	686,824	232,524
Supplies	20,033	14,966	5,067
Capital outlay	7,584	5,666	1,918
Total special	<u>1,038,560</u>	<u>775,884</u>	<u>262,676</u>
Support services:			
Pupil:			
Purchased services	117,660	87,901	29,759
Total pupil	<u>117,660</u>	<u>87,901</u>	<u>29,759</u>
Instructional staff:			
Purchased services	17,725	13,242	4,483
Total instructional staff	<u>17,725</u>	<u>13,242</u>	<u>4,483</u>
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	14,667	10,957	3,710
Purchased services	38,181	28,524	9,657
Supplies	353	264	89
Capital outlay	3,079	2,300	779
Total other non-instructional services	<u>56,280</u>	<u>42,045</u>	<u>14,235</u>
Total expenditures	<u>1,230,225</u>	<u>919,072</u>	<u>311,153</u>
Excess of revenues (under) expenditures	<u>(71,259)</u>	<u>(79,057)</u>	<u>(7,798)</u>
Other financing sources (uses):			
Advances in	141,034	102,221	(38,813)
Advances (out)	(184,289)	(137,678)	46,611
Total other financing sources (uses).	<u>(43,255)</u>	<u>(35,457)</u>	<u>7,798</u>
Net change in fund balance.	(114,514)	(114,514)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated . .	114,514	114,514	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIMITED ENGLISH PROFICIENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 37,159	\$ 26,687	\$ (10,472)
Total revenues	<u>37,159</u>	<u>26,687</u>	<u>(10,472)</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	52,202	37,640	14,562
Fringe benefits	9,725	7,012	2,713
Supplies	2,697	1,945	752
Total special	<u>64,624</u>	<u>46,597</u>	<u>18,027</u>
Support Services:			
Pupil:			
Purchased services	4,145	2,989	1,156
Total pupil	<u>4,145</u>	<u>2,989</u>	<u>1,156</u>
Instructional staff:			
Purchased services	2,317	1,671	646
Total instructional staff	<u>2,317</u>	<u>1,671</u>	<u>646</u>
Total expenditures	<u>71,086</u>	<u>51,257</u>	<u>19,829</u>
Excess of revenues (under) expenditures	<u>(33,927)</u>	<u>(24,570)</u>	<u>9,357</u>
Other financing sources (uses):			
Advances in	62,841	45,131	(17,710)
Advances (out)	(29,946)	(21,593)	8,353
Total other financing sources (uses)	<u>32,895</u>	<u>23,538</u>	<u>(9,357)</u>
Net change in fund balance	(1,032)	(1,032)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,032	1,032	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE I FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 531,043	\$ 371,733	\$ (159,310)
Total revenues.	<u>531,043</u>	<u>371,733</u>	<u>(159,310)</u>
Expenditures:			
Current:			
Instruction:			
Other:			
Salaries and wages	382,449	267,987	114,462
Fringe benefits	48,599	34,054	14,545
Supplies	7,184	5,034	2,150
Total other	<u>438,232</u>	<u>307,075</u>	<u>131,157</u>
Support services:			
Instructional staff:			
Purchased services	2,517	1,764	753
Total instructional staff	<u>2,517</u>	<u>1,764</u>	<u>753</u>
Administration			
Salaries and wages	3,538	2,479	1,059
Fringe benefits	547	383	164
Total administration.	<u>4,085</u>	<u>2,862</u>	<u>1,223</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	12,001	8,409	3,592
Total other non-instructional services	<u>12,001</u>	<u>8,409</u>	<u>3,592</u>
Total expenditures	<u>456,835</u>	<u>320,110</u>	<u>136,725</u>
Excess of revenues over expenditures	<u>74,208</u>	<u>51,623</u>	<u>(22,585)</u>
Other financing sources (uses):			
Advances in	18,957	13,270	(5,687)
Advances (out)	(94,465)	(66,193)	28,272
Total other financing sources (uses)	<u>(75,508)</u>	<u>(52,923)</u>	<u>22,585</u>
Net change in fund balance	(1,300)	(1,300)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,300	1,300	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EARLY CHILDHOOD EDUCATION DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal.	\$ 19,397	\$ 7,776	\$ (11,621)
Total revenues.	<u>19,397</u>	<u>7,776</u>	<u>(11,621)</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Supplies	19,234	7,767	11,467
Capital outlay	27,571	11,133	16,438
Total special	<u>46,805</u>	<u>18,900</u>	<u>27,905</u>
Support services:			
Pupil:			
Salaries and wages	1,238	500	738
Total pupil	<u>1,238</u>	<u>500</u>	<u>738</u>
Instructional staff:			
Purchased services	3,053	1,233	1,820
Total instructional staff.	<u>3,053</u>	<u>1,233</u>	<u>1,820</u>
Total expenditures	<u>51,096</u>	<u>20,633</u>	<u>30,463</u>
Excess of revenues (under) expenditures	<u>(31,699)</u>	<u>(12,857)</u>	<u>18,842</u>
Other financing sources (uses):			
Advances in	37,603	15,074	(22,529)
Advances (out).	(6,184)	(2,497)	3,687
Total other financing sources (uses)	<u>31,419</u>	<u>12,577</u>	<u>(18,842)</u>
Net change in fund balance	(280)	(280)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated . .	280	280	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 46,718	\$ 32,064	\$ (14,654)
Total revenues	<u>46,718</u>	<u>32,064</u>	<u>(14,654)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	58,021	40,000	18,021
Fringe benefits	8,703	6,000	2,703
Total regular	<u>66,724</u>	<u>46,000</u>	<u>20,724</u>
Support services:			
Instructional staff:			
Salaries and wages	806	556	250
Purchased services	33,163	22,862	10,301
Supplies	162	112	50
Total instructional staff	<u>34,131</u>	<u>23,530</u>	<u>10,601</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	16,880	11,637	5,243
Supplies	1,239	854	385
Total other non-instructional services	<u>18,119</u>	<u>12,491</u>	<u>5,628</u>
Total expenditures	<u>118,974</u>	<u>82,021</u>	<u>36,953</u>
Excess of revenues (under) expenditures	<u>(72,256)</u>	<u>(49,957)</u>	<u>22,299</u>
Other financing sources (uses):			
Advances in	73,282	50,295	(22,987)
Advances (out)	(2,215)	(1,527)	688
Total other financing sources (uses).	<u>71,067</u>	<u>48,768</u>	<u>(22,299)</u>
Net change in fund balance	(1,189)	(1,189)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,189	1,189	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 33,055	\$ 23,755	\$ (9,300)
Total revenues	<u>33,055</u>	<u>23,755</u>	<u>(9,300)</u>
			-
Expenditures:			
Current:			
Instruction:			
Other			
Purchased services	44,527	32,000	12,527
Total instruction-other	<u>44,527</u>	<u>32,000</u>	<u>12,527</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	1,422	1,022	400
Supplies	4,051	2,911	1,140
Total other non-instructional services . . .	<u>5,473</u>	<u>3,933</u>	<u>1,540</u>
Total expenditures	<u>50,000</u>	<u>35,933</u>	<u>14,067</u>
Other financing sources:			
Advances in	16,945	12,178	(4,767)
Total other financing sources	<u>16,945</u>	<u>12,178</u>	<u>(4,767)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Classroom materials and fees	\$ -	\$ 59,154	\$ 59,154
Total revenues.	<u>-</u>	<u>59,154</u>	<u>59,154</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies	20,845	9,286	11,559
Total instruction-regular.	<u>20,845</u>	<u>9,286</u>	<u>11,559</u>
Instruction-special			
Supplies	292	130	162
Total instruction-special	<u>292</u>	<u>130</u>	<u>162</u>
Total expenditures	<u>21,137</u>	<u>9,416</u>	<u>11,721</u>
Excess of revenues (under) expenditures	<u>(21,137)</u>	<u>49,738</u>	<u>70,875</u>
Other financing sources:			
Advances (out)	(936)	(417)	519
Total other financing sources	<u>(936)</u>	<u>(417)</u>	<u>519</u>
Net change in fund balance	(22,073)	49,321	71,394
Fund balance at beginning of year	12,824	12,824	-
Prior year encumbrances appropriated . .	9,249	9,249	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 71,394</u>	<u>\$ 71,394</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERDISTRICT SUMMER SCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Tuition	\$ 3,623	\$ 3,690	\$ 67
Total revenues	<u>3,623</u>	<u>3,690</u>	<u>67</u>
Expenditures:			
Current:			
Instruction:			
Other:			
Salaries and wages	6,240	6,025	215
Fringe benefits	1,446	1,396	50
Total other	<u>7,686</u>	<u>7,421</u>	<u>265</u>
Total expenditures	<u>7,686</u>	<u>7,421</u>	<u>265</u>
Net change in fund balance	(4,063)	(3,731)	332
Fund balance at beginning of year	<u>13,913</u>	<u>13,913</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 9,850</u></u>	<u><u>\$ 10,182</u></u>	<u><u>\$ 332</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Tuition	\$ 600,738	\$ 611,843	\$ 11,105
Classroom materials and fees	9,676	9,855	179
Rental income	982	1,000	18
Other local revenues	45,606	46,449	843
Total revenues.	<u>657,002</u>	<u>669,147</u>	<u>12,145</u>
Expenditures:			
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	440,145	423,534	16,611
Fringe benefits	143,066	137,667	5,399
Purchased services	14,363	13,821	542
Supplies	70,935	68,258	2,677
Total other non-instructional services	<u>668,509</u>	<u>643,280</u>	<u>25,229</u>
Total expenditures	<u>668,509</u>	<u>643,280</u>	<u>25,229</u>
Excess of revenues (under) expenditures	<u>(11,507)</u>	<u>25,867</u>	<u>37,374</u>
Other financing sources (uses):			
Refund of prior year's receipts	(26,120)	(25,134)	986
Advances in	9,819	10,000	181
Total other financing sources (uses)	<u>(16,301)</u>	<u>(15,134)</u>	<u>1,167</u>
Net change in fund balance	(27,808)	10,733	38,541
Fund balance at beginning of year	15,643	15,643	-
Prior year encumbrances appropriated	2,315	2,315	-
Fund balance at end of year.	<u><u>\$ (9,850)</u></u>	<u><u>\$ 28,691</u></u>	<u><u>\$ 38,541</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Extracurricular	\$ 113,996	\$ 95,940	\$ (18,056)
Contributions and donations	30,318	25,516	(4,802)
Other local revenues	4,902	4,126	(776)
Total revenues.	<u>149,216</u>	<u>125,582</u>	<u>(23,634)</u>
Expenditures:			
Operation of non-instructional services:			
Other non-instructional services:			
Supplies	3,433	1,731	1,702
Total other non-instructional services	<u>3,433</u>	<u>1,731</u>	<u>1,702</u>
Extracurricular activities:			
School and public service co-curricular activities:			
Purchased services	7,333	3,697	3,636
Supplies	280,976	141,661	139,315
Capital outlay	<u>14,703</u>	<u>7,413</u>	<u>7,290</u>
Total school and public service co-curricular activities	<u>303,012</u>	<u>152,771</u>	<u>150,241</u>
Total expenditures	<u>306,445</u>	<u>154,502</u>	<u>151,943</u>
Excess of revenues (under) expenditures	<u>(157,229)</u>	<u>(28,920)</u>	<u>128,309</u>
Other financing sources:			
Refund of prior year's expenditures	784	660	(124)
Total other financing sources	<u>784</u>	<u>660</u>	<u>(124)</u>
Net change in fund balance	(156,445)	(28,260)	128,185
Fund balance at beginning of year	140,360	140,360	-
Prior year encumbrances appropriated . .	16,085	16,085	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 128,185</u>	<u>\$ 128,185</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Taxes	\$ 1,072,348	\$ 1,086,799	\$ 14,451
Earnings on investments	1,908	1,934	26
Intergovernmental - state	14,871	15,071	200
Total revenues	<u>1,089,127</u>	<u>1,103,804</u>	<u>14,677</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital outlay	2,958	1,600	1,358
Total regular	<u>2,958</u>	<u>1,600</u>	<u>1,358</u>
Support Services:			
Administration:			
Other	4,656	2,519	2,137
Total administration	<u>4,656</u>	<u>2,519</u>	<u>2,137</u>
Fiscal:			
Other	23,613	12,774	10,839
Total fiscal	<u>23,613</u>	<u>12,774</u>	<u>10,839</u>
Pupil transportation:			
Purchased services	262,256	141,874	120,382
Other	365,920	197,954	167,966
Total pupil transportation	<u>628,176</u>	<u>339,828</u>	<u>288,348</u>
Central:			
Other	975,386	527,660	447,726
Total Central	<u>1,969,482</u>	<u>527,660</u>	<u>904,040</u>
Extracurricular activities:			
Capital outlay	168,560	91,187	77,373
Total extracurricular activities	<u>168,560</u>	<u>91,187</u>	<u>77,373</u>
Facilities acquisition and construction:			
Site improvement services:			
Purchased services	691,051	373,842	317,209
Other facilities services:			
Purchased services	658,144	356,040	302,104
Capital outlay	1,941,522	1,050,316	891,206
Total facilities acquisition and construction	<u>3,290,717</u>	<u>1,780,198</u>	<u>1,510,519</u>
Total expenditures	<u>4,118,680</u>	<u>2,755,766</u>	<u>2,794,614</u>
Excess of revenues (under) expenditures	<u>(3,029,553)</u>	<u>(1,651,962)</u>	<u>2,809,291</u>
Other financing sources:			
Sale of manuscript notes	986,704	1,000,000	13,296
Total other financing sources	<u>986,704</u>	<u>1,000,000</u>	<u>13,296</u>
Net change in fund balance	(2,042,849)	(651,962)	2,822,587
Fund balance at beginning of year	1,124,957	1,124,957	-
Prior year encumbrances appropriated	89,930	89,930	-
Fund balance at end of year	<u>\$ (827,962)</u>	<u>\$ 562,925</u>	<u>\$ 2,822,587</u>

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

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

Private-Purpose Trust Fund

Scholarship Fund

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

Agency Funds

Student Activities

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

OHSAA Tournaments

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 31	\$ 47	\$ 16
Contributions and donations	11,469	17,204	5,735
Total revenues.	<u>11,500</u>	<u>17,251</u>	<u>5,751</u>
Expenses:			
Extracurricular activities:			
School and public service:			
Purchased services	110,122	7,000	103,122
Total school and public service	<u>110,122</u>	<u>7,000</u>	<u>103,122</u>
Total expenses.	<u>110,122</u>	<u>7,000</u>	<u>103,122</u>
Net change in fund equity	(98,622)	10,251	108,873
Fund equity at beginning of year	92,694	92,694	-
Prior year encumbrances appropriated . .	3,000	3,000	-
Fund equity (deficit) at end of year	<u>\$ (2,928)</u>	<u>\$ 105,945</u>	<u>\$ 108,873</u>

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Beginning Balance July 1, 2018	Additions	Deletions	Ending Balance June 30, 2019
Student Activities				
Assets:				
Equity in pooled cash and investments	\$ 294,451	\$ 186,181	\$ 192,033	\$ 288,599
Total assets	<u>\$ 294,451</u>	<u>\$ 186,181</u>	<u>\$ 192,033</u>	<u>\$ 288,599</u>
Liabilities:				
Accounts payable	\$ -	\$ 139	\$ -	\$ 139
Due to students	294,451	186,042	192,033	288,460
Total liabilities.	<u>\$ 294,451</u>	<u>\$ 186,181</u>	<u>\$ 192,033</u>	<u>\$ 288,599</u>
OHSAA Tournaments				
Assets:				
Equity in pooled cash and investments	\$ 2,204	\$ 15,766	\$ 12,486	\$ 5,484
Total assets	<u>\$ 2,204</u>	<u>\$ 15,766</u>	<u>\$ 12,486</u>	<u>\$ 5,484</u>
Liabilities:				
Intergovernmental payable	\$ 2,204	\$ 15,766	\$ 12,486	\$ 5,484
Total liabilities.	<u>\$ 2,204</u>	<u>\$ 15,766</u>	<u>\$ 12,486</u>	<u>\$ 5,484</u>
Total				
Assets:				
Equity in pooled cash and investments	\$ 296,655	\$ 201,947	\$ 204,519	\$ 294,083
Total assets	<u>\$ 296,655</u>	<u>\$ 201,947</u>	<u>\$ 204,519</u>	<u>\$ 294,083</u>
Liabilities:				
Accounts payable	\$ -	\$ 139	\$ -	\$ 139
Intergovernmental payable	2,204	15,766	12,486	5,484
Due to students	294,451	186,042	192,033	288,460
Total liabilities.	<u>\$ 296,655</u>	<u>\$ 201,947</u>	<u>\$ 204,519</u>	<u>\$ 294,083</u>

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***STATISTICAL
SECTION***

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	140-151
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	152-159
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	160-163
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	164-165
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	166-175
Sources: Sources are noted on the individual schedules.	

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

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

	<u>2019</u>	<u>2018</u>	<u>2017 (3)</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 24,216,407	\$ 31,723,499	\$ 32,721,926	\$ 31,800,580
Restricted	20,016,980	10,969,008	8,742,844	8,555,064
Unrestricted (Deficit)	(36,785,985)	(47,016,291)	(76,835,473)	(54,295,199)
Total governmental activities net position	<u>\$ 7,447,402</u>	<u>\$ (4,323,784)</u>	<u>\$ (35,370,703)</u>	<u>\$ (13,939,555)</u>

(1) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.

Amounts for 2012 and 2011 have been restated to reflect the implementation of GASB Statement No. 65.

(2) The District implemented GASB Statement No. 68 and 71 in 2015.

Amounts for 2014 have been restated to reflect the implementation of these statements.

(3) The District implemented GASB Statement No. 75 in 2018.

Amounts for 2017 have been restated to reflect the implementation of this statement.

Source: School District financial records.

2015	2014 (2)	2013	2012 (1)	2011 (1)	2010
\$ 32,047,648	\$ 32,611,481	\$ 31,803,272	\$ 29,104,480	\$ 26,697,219	\$ 27,100,371
5,985,512	5,924,425	5,852,768	7,502,554	33,449,274	4,966,633
(60,507,812)	(63,008,117)	15,421,008	16,017,546	18,230,099	16,033,437
<u>\$ (22,474,652)</u>	<u>\$ (24,472,211)</u>	<u>\$ 53,077,048</u>	<u>\$ 52,624,580</u>	<u>\$ 78,376,592</u>	<u>\$ 48,100,441</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 18,882,246	\$ 9,561,942	\$ 22,656,445	\$ 21,919,688
Special	7,299,040	4,270,413	8,484,307	7,448,107
Vocational	1,096,291	994,315	776,899	1,053,253
Adult/Continuing	3,463	1,568	3,886	3,334
Other instructional	1,320,022	1,294,993	1,790,306	1,704,407
Support services:				
Pupil	3,605,224	1,947,875	3,894,367	3,726,306
Instructional staff	1,523,929	1,349,033	1,703,423	1,635,220
Board of education	30,789	20,468	42,201	71,975
Administration	2,573,445	1,534,687	3,215,516	2,941,589
Fiscal	1,167,196	940,223	1,264,203	1,442,664
Business	489,965	321,226	463,803	459,516
Operations and maintenance	4,833,938	2,929,868	5,160,733	5,305,924
Pupil transportation	3,280,451	1,985,454	3,794,474	3,654,866
Central	778,698	137,169	444,195	354,613
Operation of non-instructional services				
Food service operations	1,235,170	929,969	1,284,778	1,242,054
Other non-instructional services	1,310,251	918,540	1,563,850	1,258,018
Extracurricular activities	1,154,087	749,890	1,764,627	1,508,100
Interest and fiscal charges	4,302,705	4,279,804	4,160,226	3,913,479
Total governmental activities expenses	<u>\$ 54,886,910</u>	<u>\$ 34,167,437</u>	<u>\$ 62,468,239</u>	<u>\$ 59,643,113</u>

2015	2014	2013	2012	2011	2010
\$ 22,211,994	\$ 24,689,245	\$ 23,734,781	\$ 23,352,699	\$ 23,000,156	\$ 22,316,141
7,246,667	7,199,739	7,324,149	5,113,771	5,355,715	4,879,232
1,000,860	916,454	189,647	279,679	277,138	283,704
3,275	12,034	96,247	75,712	93,920	65,515
1,565,581	1,707,338	2,047,292	1,982,160	1,584,547	1,266,107
3,588,053	3,900,942	3,977,719	3,688,102	3,735,847	3,513,646
1,732,345	2,063,238	1,697,184	3,893,297	3,631,697	3,481,561
46,916	50,915	36,145	34,898	31,539	25,952
2,744,778	3,154,314	2,841,239	3,111,459	2,946,534	2,987,406
1,302,611	1,450,781	1,292,707	1,339,376	1,246,556	1,212,175
504,915	490,493	464,546	417,407	345,423	359,885
5,425,118	5,435,449	4,259,499	4,563,603	4,709,177	4,726,262
3,968,862	4,186,528	4,574,030	4,529,102	4,679,476	4,506,745
319,218	307,709	322,186	116,643	151,995	154,053
1,215,531	1,283,386	1,203,488	1,345,128	1,276,077	1,233,229
1,305,906	1,117,682	1,059,550	726,157	736,810	752,129
1,451,391	1,624,770	1,614,625	1,539,352	1,604,308	1,627,922
4,884,193	5,167,269	5,247,443	5,259,363	4,815,718	1,064,601
<u>\$ 60,518,214</u>	<u>\$ 64,758,286</u>	<u>\$ 61,982,477</u>	<u>\$ 61,367,908</u>	<u>\$ 60,222,633</u>	<u>\$ 54,456,265</u>

(Continued)

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

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

Program Revenues	2019	2018	2017	2016
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 511,841	\$ 395,083	\$ 332,551	\$ 256,620
Special	9,072	-	-	-
Adult/Continuing	-	-	7,110	25,235
Other instructional	-	-	18,225	-
Support services:				
Instructional staff	-	-	-	-
Board of education	-	-	-	-
Administration	-	-	245	-
Operations and maintenance	63,502	83,710	77,909	52,856
Pupil transportation	53,787	57,888	59,281	3,530
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	827,598	833,121	842,610	858,000
Other non-instructional services	647,282	594,235	602,108	605,475
Extracurricular activities	375,719	340,292	537,292	443,562
Operating grants and contributions:				
Instruction:				
Regular	62,539	31,959	63,470	42,145
Special	924,872	764,540	824,211	769,782
Vocational	7,104	7,104	7,252	3,046
Adult/Continuing	7,411	41,951	479,931	4,550
Other	333,728	333,854	444,678	381,935
Support services:				
Pupil	62,389	27,449	156,265	194,001
Instructional staff	78,308	72,911	49,935	74,076
Board of education	-	-	-	-
Administration	4,669	474	1,099	1,631
Operations and maintenance	19,713	-	-	15,000
Pupil transportation	231,331	199,084	247,998	246,984
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	358,168	408,103	331,059	350,925
Other non-instructional services	714,302	686,308	1,137,232	713,243
Extracurricular activities	140,603	202,570	232,744	242,268
Interest and fiscal charges	-	-	-	538,464
Capital grants and contributions:				
Extracurricular activities	-	-	-	330,000
Total governmental program revenues	<u>\$ 5,433,938</u>	<u>\$ 5,080,636</u>	<u>\$ 6,453,205</u>	<u>\$ 6,153,328</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (49,452,972)</u>	<u>\$ (29,086,801)</u>	<u>\$ (56,015,034)</u>	<u>\$ (53,489,785)</u>

2015	2014	2013	2012	2011	2010
\$ 366,573	\$ 273,587	\$ 356,263	\$ 344,761	\$ 150,267	\$ 149,017
-	-	-	-	-	-
19,305	20,466	3,670	7,832	1,702	1,276
-	-	-	-	-	-
-	1,858	15,854	2,998	109	679
-	-	1,363	-	-	-
-	-	7,406	95,575	84,845	81,151
62,282	50,241	62,754	52,158	42,216	66,563
30,199	37,384	23,789	22,711	9,662	8,867
-	-	2,946	-	-	-
858,059	868,105	926,508	1,028,386	982,339	963,486
538,681	478,299	429,751	331,146	267,213	260,349
468,648	505,537	501,140	516,564	486,912	553,066
178,710	105,712	151,985	131,041	268,130	273,727
772,515	690,652	537,280	404,208	758,975	627,566
2,543	1,745	-	-	-	-
12,881	7,616	80,696	71,138	90,750	52,876
294,726	329,821	344,380	278,973	318,969	291,851
172,447	276,567	263,050	243,120	337,910	379,539
72,094	118,751	84,855	261,991	308,232	276,923
-	-	290	-	-	-
1,934	7,003	9,982	13,101	13,677	8,968
-	9	-	236	180,441	158,119
257,050	301,566	235,326	241,122	200,039	407,412
-	12,600	13,226	12,600	20,925	23,243
314,915	299,765	299,107	318,533	274,306	250,721
677,803	662,317	532,958	498,097	496,917	486,846
219,766	158,876	151,158	151,664	180,309	142,276
1,170,112	1,630,556	1,680,633	1,757,065	1,351,964	-
-	-	-	-	-	-
<u>\$ 6,491,243</u>	<u>\$ 6,839,033</u>	<u>\$ 6,716,370</u>	<u>\$ 6,785,020</u>	<u>\$ 6,826,809</u>	<u>\$ 5,464,521</u>
<u>\$ (54,026,971)</u>	<u>\$ (57,919,253)</u>	<u>\$ (55,266,107)</u>	<u>\$ (54,582,888)</u>	<u>\$ (53,395,824)</u>	<u>\$ (48,991,744)</u>

(Continued)

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 42,358,923	\$ 41,797,143	\$ 36,486,989	\$ 43,977,628
Debt service	6,645,097	6,417,674	5,839,450	7,806,044
Capital outlay	1,129,152	1,168,288	826,544	-
Payments in lieu of taxes	583,245	506,058	455,000	455,000
Grants and entitlements not restricted				
to specific programs	8,710,452	9,333,934	9,383,072	9,379,082
Investment earnings	1,454,236	647,724	206,295	250,028
Gain on sale of capital assets	-	8,942	1,203	17,074
Miscellaneous	343,053	253,957	474,282	140,026
Total governmental activities	<u>\$ 61,224,158</u>	<u>\$ 60,133,720</u>	<u>\$ 53,672,835</u>	<u>\$ 62,024,882</u>
 Change in Net Position				
Governmental activities	<u>\$ 11,771,186</u>	<u>\$ 31,046,919</u>	<u>\$ (2,342,199)</u>	<u>\$ 8,535,097</u>

Source: School District financial records.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 38,970,696	\$ 43,338,398	\$ 39,299,209	\$ 39,089,032	\$ 39,263,204	\$ 39,046,558
6,767,839	7,473,410	6,892,556	6,890,778	5,829,681	2,737,032
-	-	-	-	-	-
227,500	-	-	-	-	-
9,752,076	9,492,994	9,040,496	9,901,584	11,180,263	11,003,434
169,939	175,372	147,324	392,826	545,781	280,765
-	-	-	-	-	-
136,480	367,788	338,990	127,830	155,827	108,120
<u>\$ 56,024,530</u>	<u>\$ 60,847,962</u>	<u>\$ 55,718,575</u>	<u>\$ 56,402,050</u>	<u>\$ 56,974,756</u>	<u>\$ 53,175,909</u>
<u>\$ 1,997,559</u>	<u>\$ 2,928,709</u>	<u>\$ 452,468</u>	<u>\$ 1,819,162</u>	<u>\$ 3,578,932</u>	<u>\$ 4,184,165</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:				
Nonspendable	\$ 106,849	\$ 106,854	\$ 106,367	\$ 56,655
Committed	1,168,693	1,168,693	1,168,693	1,168,693
Assigned	4,164,949	2,307,981	1,116,408	3,452,897
Unassigned	22,205,680	22,326,801	21,757,929	22,487,981
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
Total general fund	<u>\$ 27,646,171</u>	<u>\$ 25,910,329</u>	<u>\$ 24,149,397</u>	<u>\$ 27,166,226</u>
All Other Governmental Funds:				
Nonspendable	\$ 3,873	\$ 5,484	\$ 6,688	\$ 3,241
Restricted	16,874,072	40,177,426	42,833,645	9,912,616
Committed	-	-	-	-
Unassigned (deficit)	(11,459)	(145,522)	(17,407)	-
Reserved	-	-	-	-
Unreserved (deficit), reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 16,866,486</u>	<u>\$ 40,037,388</u>	<u>\$ 42,822,926</u>	<u>\$ 9,915,857</u>
Total governmental funds	<u>\$ 44,512,657</u>	<u>\$ 65,947,717</u>	<u>\$ 66,972,323</u>	<u>\$ 37,082,083</u>

Source: School District financial records.

(1) The District implemented GASB 54 in 2011, which reclassified fund balances and some fund types into the general fund.

2015	2014	2013	2012	2011 (1)	2010
\$ 3,796	\$ 5,980	\$ 4,546	\$ 5,339	\$ 6,540	\$ -
1,549,807	1,570,207	-	-	-	-
7,209,668	8,596,012	12,080,739	9,291,068	2,942,446	-
13,284,916	8,638,397	6,786,159	10,916,608	19,342,998	-
-	-	-	-	-	7,668,287
-	-	-	-	-	13,180,434
<u>\$ 22,048,187</u>	<u>\$ 18,810,596</u>	<u>\$ 18,871,444</u>	<u>\$ 20,213,015</u>	<u>\$ 22,291,984</u>	<u>\$ 20,848,721</u>
\$ 3,198	\$ 3,365	\$ 2,653	\$ 14,018	\$ 9,020	\$ -
8,383,214	8,194,993	25,702,190	69,160,731	87,957,784	-
-	690	686	-	-	-
-	(56,743)	(64)	(471)	(1,794)	-
-	-	-	-	-	4,423,702
-	-	-	-	-	325,863
-	-	-	-	-	(75,436)
<u>\$ 8,386,412</u>	<u>\$ 8,142,305</u>	<u>\$ 25,705,465</u>	<u>\$ 69,174,278</u>	<u>\$ 87,965,010</u>	<u>\$ 4,674,129</u>
<u>\$ 30,434,599</u>	<u>\$ 26,952,901</u>	<u>\$ 44,576,909</u>	<u>\$ 89,387,293</u>	<u>\$ 110,256,994</u>	<u>\$ 25,522,850</u>

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

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

	2019	2018	2017	2016
Revenues				
From local sources:				
Property taxes	\$ 50,311,613	\$ 49,292,344	\$ 43,172,464	\$ 51,830,226
Payment in lieu of taxes	583,245	506,058	455,000	455,000
Tuition	1,067,232	918,965	887,429	794,319
Transportation fees	52,863	57,888	59,281	3,530
Earnings on investments	1,408,027	662,343	182,898	256,017
Charges for services	852,182	858,692	842,610	858,000
Extracurricular	375,719	289,806	348,531	243,421
Classroom materials and fees	75,379	94,968	225,406	237,855
Rental income	64,502	84,710	85,019	80,486
Contributions and donations	177,958	244,338	311,509	573,317
Other local revenues	353,292	434,116	1,329,680	146,301
Intergovernmental	11,471,810	12,135,571	12,172,873	12,698,494
Total revenues	<u>66,793,822</u>	<u>65,579,799</u>	<u>60,072,700</u>	<u>68,176,966</u>
Expenditures				
Current:				
Instruction:				
Regular	20,863,899	19,877,880	20,240,428	19,913,671
Special	8,546,418	8,702,985	8,083,944	7,380,042
Vocational	1,083,811	1,060,469	725,430	1,008,643
Adult/Continuing	4,140	4,150	3,521	3,151
Other	1,406,102	1,635,161	1,770,772	1,707,108
Support Services:				
Pupil	4,028,640	3,693,039	3,778,917	3,659,332
Instructional staff	1,631,344	1,982,670	1,535,087	1,532,568
Board of education	33,449	31,249	41,589	71,975
Administration	2,915,298	2,888,252	3,094,778	2,865,404
Fiscal	1,269,203	1,263,360	1,299,039	1,447,696
Business	475,935	485,547	357,273	382,702
Operations and maintenance	5,224,950	4,906,984	5,059,298	4,949,687
Pupil transportation	3,708,776	3,492,090	3,624,997	3,588,283
Central	952,796	390,093	438,624	348,728
Operation of non-instructional services:				
Food service operations	1,251,645	1,212,683	1,169,048	1,141,498
Other non-instructional services	1,436,167	1,404,152	1,531,622	1,243,386
Extracurricular activities	1,371,518	1,379,277	1,641,751	1,438,805
Facilities acquisitions and construction	25,313,752	5,105,323	1,407,718	895,447
Capital outlay	-	814,000	-	-
Debt service:				
Principal retirement	2,266,617	2,569,013	2,720,632	4,576,464
Interest and fiscal charges	4,444,422	4,541,399	3,664,805	3,402,014
Bond issuance costs	-	-	283,795	-
Accretion on CABs	-	-	1,835,000	-
Total expenditures	<u>88,228,882</u>	<u>67,439,776</u>	<u>64,308,068</u>	<u>61,556,604</u>
Excess of revenues over (under) expenditures	(21,435,060)	(1,859,977)	(4,235,368)	6,620,362
Other Financing Sources (Uses)				
Transfers in	16,185	24,242	10,000	10,000
Transfers (out)	(16,185)	(24,242)	(10,000)	(10,000)
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	21,371	2,925	27,122
Capital lease transaction	-	814,000	-	-
Bonds issued	-	-	33,630,000	-
Premium on bonds	-	-	492,683	-
Total other financing sources (uses)	<u>-</u>	<u>835,371</u>	<u>34,125,608</u>	<u>27,122</u>
Net change in fund balances	<u>\$ (21,435,060)</u>	<u>\$ (1,024,606)</u>	<u>\$ 29,890,240</u>	<u>\$ 6,647,484</u>
Capital expenditures (included in expenditures above)	25,769,301	5,988,514	1,864,198	669,841
Debt service principal and interest as a percentage of noncapital expenditures	10.745%	11.571%	13.165%	13.104%

Source: School District financial records.

2015	2014	2013	2012	2011	2010
\$ 48,890,476	\$ 49,027,107	\$ 46,029,492	\$ 45,596,405	\$ 45,089,726	\$ 41,131,376
227,500	-	-	-	-	-
839,728	676,943	698,154	688,926	425,948	403,330
30,199	37,384	23,789	22,711	9,662	8,867
163,358	180,519	172,815	431,229	562,239	278,293
858,059	868,105	926,508	1,028,386	982,339	963,486
276,493	313,778	332,604	313,010	291,336	332,193
241,858	234,840	245,786	257,721	253,414	289,196
84,561	79,244	85,532	73,317	46,146	70,613
222,504	201,817	155,672	212,665	185,001	154,134
173,001	301,969	343,566	84,901	172,247	124,889
13,659,297	13,766,095	13,205,762	14,191,851	15,722,569	14,206,900
65,667,034	65,687,801	62,219,680	62,901,122	63,740,627	57,963,277
20,232,577	22,186,800	23,173,399	23,070,405	22,340,830	22,074,806
7,239,817	7,024,234	7,368,927	5,027,566	5,270,067	4,871,042
948,826	865,520	170,464	261,561	258,978	271,866
3,125	4,874	89,426	68,779	86,987	58,582
1,535,347	1,753,655	2,029,622	1,991,929	1,579,574	1,262,671
3,610,121	3,766,263	3,904,547	3,657,070	3,630,520	3,444,392
1,697,595	1,878,517	1,733,345	3,836,991	3,569,005	3,411,558
46,916	50,915	36,145	34,898	31,539	25,952
2,716,512	2,984,298	2,746,947	3,048,722	2,960,532	2,975,946
1,286,694	1,452,074	1,271,810	1,332,699	1,226,200	1,183,863
417,487	467,070	443,576	414,840	383,740	349,305
5,004,548	5,089,408	4,173,108	4,426,443	4,720,517	4,450,026
3,749,652	4,005,405	4,402,418	4,221,894	4,691,657	4,628,794
317,245	303,174	301,020	113,063	147,655	153,295
1,097,093	1,178,951	1,168,207	1,302,398	1,230,889	1,200,931
1,342,690	1,121,698	1,044,019	725,855	734,860	748,294
1,362,133	1,516,214	1,599,205	1,502,937	1,576,940	1,632,120
1,286,258	18,156,604	43,669,157	19,583,160	2,979,138	536,858
430,188	-	-	-	-	-
4,218,462	4,706,118	4,389,907	4,029,164	2,103,859	1,978,966
3,890,105	4,816,384	4,952,402	4,977,989	4,209,828	847,164
518,259	-	-	108,493	714,366	-
-	-	-	-	-	-
62,951,650	83,328,176	108,667,651	83,736,856	64,447,681	56,106,431
2,715,384	(17,640,375)	(46,447,971)	(20,835,734)	(707,054)	1,856,846
10,000	65,252	10,000	10,000	10,000	10,000
(10,000)	(65,252)	(10,000)	(10,000)	(10,000)	(10,000)
(60,711,594)	-	-	(6,967,612)	-	-
170	16,367	-	427	407	900
430,188	-	-	-	-	-
58,530,000	-	-	6,540,000	84,055,000	-
2,517,550	-	-	393,218	1,385,791	-
766,314	16,367	-	(33,967)	85,441,198	900
\$ 3,481,698	\$ (17,624,008)	\$ (46,447,971)	\$ (20,869,701)	\$ 84,734,144	\$ 1,857,746
859,546	18,459,012	44,202,354	20,111,718	3,818,908	1,516,369
13.059%	14.680%	14.492%	14.157%	10.414%	5.177%

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

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

Collection Year	Real Property		Public Utility		Total	
	Assessed Value	Estimated Actual Value ⁽¹⁾	Assessed Value	Estimated Actual Value ⁽¹⁾	Assessed Value	Estimated Actual Value
2019 ⁽²⁾	\$ 1,547,978,250	\$ 4,422,795,000	\$ 30,844,930	\$ 35,051,057	\$ 1,578,823,180	\$ 4,457,846,057
2018	1,421,129,760	4,060,370,743	29,844,940	33,914,705	1,450,974,700	4,094,285,447
2017	1,415,841,400	4,045,261,143	27,951,630	31,763,216	1,443,793,030	4,077,024,359
2016 ⁽³⁾	1,400,587,290	4,001,677,971	25,840,090	29,363,739	1,426,427,380	4,031,041,710
2015	1,340,030,420	3,828,658,343	25,237,460	28,678,932	1,365,267,880	3,857,337,275
2014	1,330,437,240	3,801,249,257	24,094,940	27,380,614	1,354,532,180	3,828,629,871
2013 ⁽²⁾	1,344,496,130	3,841,417,514	21,853,120	24,833,091	1,366,349,250	3,866,250,605
2012	1,345,136,450	3,843,247,000	19,742,750	22,434,943	1,364,879,200	3,865,681,943
2011	1,351,387,610	3,861,107,457	18,395,760	20,904,273	1,369,783,370	3,882,011,730
2010 ⁽³⁾	1,346,534,600	3,847,241,714	17,904,860	20,346,432	1,364,439,460	3,867,588,146

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

⁽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.

⁽²⁾ Reappraisal of property values.

⁽³⁾ Triennial update of property values.

%	Total Direct Tax Rate
35.42%	\$ 69.90
35.44%	69.90
35.41%	70.20
35.39%	70.10
35.39%	70.10
35.38%	70.10
35.34%	70.10
35.31%	70.10
35.29%	70.10
35.28%	66.70

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

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

Tax Year/ Collection Year	Overlapping Rates			Direct Rates					
	County	Library	City	Voted			Unvoted	Total	
				General	Bond	Permanent Improvement			
2018/2019	\$ 14.05	\$ 2.80	\$ 9.52	\$ 58.60	\$ 4.70	\$ 0.80	\$ 5.80	\$ 69.90	
2017/2018	14.05	2.80	9.52	58.60	4.70	0.80	5.80	69.90	
2016/2017	14.05	2.80	9.52	58.60	5.00	0.80	5.80	70.20	
2015/2016	14.05	2.80	9.52	58.60	5.70	-	5.80	70.10	
2014/2015	14.05	2.80	9.52	58.60	5.70	-	5.80	70.10	
2013/2014	14.05	2.80	9.52	58.60	5.70	-	5.80	70.10	
2012/2013	13.22	2.80	9.52	58.60	5.70	-	5.80	70.10	
2011/2012	13.22	2.80	9.60	58.60	5.70	-	5.80	70.10	
2010/2011	13.32	2.80	9.60	58.60	5.70	-	5.80	70.10	
2009/2010	13.32	2.80	9.60	58.60	2.30	-	5.80	66.70	

Source: Cuyahoga County Fiscal Officer's Office

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2018 AND DECEMBER 31, 2009

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
CP Commercial Delaware, LLC	\$ 49,319,270	1	3.19%
Blue Sky Property Co., LLC	38,534,800	2	2.49%
Cuyahoga County Port Authority	21,141,160	3	1.37%
Promenade Delaware	12,926,700	4	0.84%
Concord Reserve Realty	8,118,190	5	0.52%
ARC Westlake Village, Inc.	8,028,970	6	0.52%
Hyland Software, Inc	6,879,290	7	0.44%
BCM Westlake, LLC	6,340,750	8	0.41%
Remington Westlake, LLC	6,326,010	9	0.41%
OH-16 FO Cleveland Westlake Property LLC	6,038,060	10	0.39%
Total	<u>\$ 163,653,200</u>		<u>10.58%</u>
Total Real Estate Valuation	<u>\$ 1,547,978,250</u>		

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Toledo Lucas County Port Authority	\$ 38,841,770	1	2.88%
Promenade Delaware LLC	11,229,580	2	0.83%
Energizer Battery Manufacturing	7,417,280	3	0.55%
Cleveland Retirement Properties	7,371,040	4	0.55%
University Hospitals Health System	7,215,120	5	0.54%
Sturbridge Square Apartments	7,035,010	6	0.52%
Remington Apartments NF LLC	6,755,010	7	0.50%
BCM Westlake, LLC	5,659,650	8	0.42%
Village in the Park	5,147,770	9	0.38%
DRG Hunter's Chase TIC 6, LLC	5,091,070	10	0.38%
Total	<u>\$ 101,763,300</u>		<u>7.55%</u>
Total Real Estate Valuation	<u>\$ 1,346,534,600</u>		

Source: Cuyahoga County Fiscal Officer's Office

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

**PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY AND PUBLIC UTILITY PROPERTY TAX
DECEMBER 31, 2018 AND DECEMBER 31, 2009**

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 20,636,770	1	66.90%
American Transmission System	5,164,260	2	16.74%
Columbia Gas of Ohio	4,977,760	3	16.14%
Total	<u>\$ 30,778,790</u>		<u>99.78%</u>
Total Tangible Personal Property and Public Utility Assessed Valuation	<u>\$ 30,844,930</u>		
December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 14,713,030	1	82.17%
Columbia Gas of Ohio	2,137,770	2	11.94%
Total	<u>\$ 16,850,800</u>		<u>94.11%</u>
Total Tangible Personal Property and Public Utility Assessed Valuation	<u>\$ 17,904,860</u>		

Source: Cuyahoga County Fiscal Officer's Office

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

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy ⁽²⁾	Total Levy	Current Collection	Percent of Current Levy Collected
2018/2019	\$ 55,931,972	\$ 1,983,661	\$ 57,915,633	\$ 54,210,152	96.92%
2017/2018	53,911,754	1,326,642	55,238,396	52,840,860	98.01%
2016/2017	54,725,368	1,446,059	56,171,427	52,569,485	96.06%
2015/2016	54,333,616	1,879,339	56,212,955	52,419,363	96.48%
2014/2015	53,330,410	2,080,194	55,410,604	51,421,351	96.42%
2013/2014	52,734,065	2,490,055	55,224,120	50,798,705	96.33%
2012/2013	52,510,301	2,583,953	55,094,254	48,860,615	93.05%
2011/2012	52,383,722	1,845,185	54,228,907	49,233,603	93.99%
2010/2011	51,791,950	2,462,228	54,254,178	49,535,385	95.64%
2009/2010	46,835,159	2,407,628	49,242,787	45,410,732	96.96%

Source: Cuyahoga County Fiscal Officer's Office

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

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

Delinquent Collection		Total Collection	Total Collection As a Percent of Total Levy
\$	1,040,284	\$ 55,250,436	95.40%
	1,007,242	53,848,102	97.48%
	948,282	53,517,767	95.28%
	1,013,733	53,433,096	95.05%
	1,055,449	52,476,800	94.71%
	1,971,970	52,770,675	95.56%
	1,242,923	50,103,538	90.94%
	1,447,349	50,680,952	93.46%
	1,310,486	50,845,871	93.72%
	1,283,853	46,694,585	94.83%

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

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

Fiscal Year	Governmental Activities		Total Primary Government	Per Capita ⁽²⁾	Per ADM ⁽²⁾	Percentage of Personal Income ⁽³⁾
	General Obligation Bonds ⁽¹⁾	Capital Leases				
2019	\$ 111,177,858	\$ 543,000	\$ 111,720,858	\$ 3,466	\$ 32,591	6.74%
2018	113,415,256	764,617	114,179,873	3,535	32,782	6.90%
2017	115,956,540	184,630	116,141,170	3,596	33,032	7.34%
2016	86,507,155	270,262	86,777,417	2,676	23,801	5.46%
2015	90,689,041	351,726	91,040,767	2,782	22,429	6.69%
2014	93,690,747	-	93,690,747	2,863	23,816	6.88%
2013	98,150,611	81,118	98,231,729	3,001	24,632	7.22%
2012	102,354,337	156,025	102,510,362	3,132	25,218	7.53%
2011	104,969,676	225,189	105,194,865	3,214	26,019	7.73%
2010	21,371,791	289,048	21,660,839	677	5,394	1.83%

Sources:

⁽¹⁾ See notes to the financial statements regarding the District's outstanding debt information. Includes accreted interest on capital appreciation bonds and unamortized premiums.

⁽²⁾ See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for population and enrollment information.

⁽³⁾ See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for per capita personal income and population. Personal income equals per capita personal income times population.

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

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

Fiscal Year	Total General Obligation Bonded Debt ⁽¹⁾	Net Position Restricted for Debt Service	Net General Obligation Bonded Debt	Percentage of Actual Taxable Value of Property ⁽²⁾	Per Capita ⁽³⁾
2019	\$ 111,177,858	\$ 8,695,943	\$ 102,481,915	2.30%	\$ 3,179
2018	113,415,256	7,570,414	105,844,842	2.59%	3,277
2017	115,956,540	6,687,246	109,269,294	2.68%	3,384
2016	86,507,155	6,440,435	80,066,720	1.99%	2,469
2015	90,689,041	4,195,669	86,493,372	2.24%	2,643
2014	93,690,747	4,420,547	89,270,200	2.33%	2,728
2013	98,150,611	4,502,719	93,647,892	2.42%	2,861
2012	102,354,337	6,449,616	95,904,721	2.48%	2,930
2011	104,969,676	6,177,809	98,791,867	2.54%	3,018
2010	21,371,791	4,378,630	16,993,161	0.44%	532

Sources:

⁽¹⁾ See notes to the financial statements regarding the District's outstanding debt information. Includes accreted interest on capital appreciation bonds and unamortized premiums.

⁽²⁾ See schedule "Assessed Valuation and Estimated Actual Value of Taxable Property" for assessed valuation of property.

⁽³⁾ See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for population information.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019**

Governmental Unit	Debt Attributable to Governmental Activities	Percentage Applicable to School District ⁽¹⁾	Amount of Direct and Overlapping Debt
Westlake City School District	\$ 111,720,858	100.00%	\$ 111,720,858
Overlapping debt:			
Cuyahoga County	188,010,000	5.17%	9,720,117
Cuyahoga Community College	212,260,000	5.17%	10,973,842
City of Westlake	<u>54,300,000</u>	100.00%	<u>54,300,000</u>
Total overlapping debt	<u>454,570,000</u>		<u>74,993,959</u>
Total direct and overlapping debt	<u><u>\$ 566,290,858</u></u>		<u><u>\$ 186,714,817</u></u>

Source: Ohio Municipal Advisory Council

⁽¹⁾ Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision.

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

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit ⁽¹⁾	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2019	\$ 142,094,086	\$ 107,465,000	\$ 9,365,592	\$ 98,099,408	\$ 43,994,678	69.04%
2018	130,587,723	109,510,000	8,193,415	101,316,585	29,271,138	77.59%
2017	129,941,373	111,845,000	7,405,013	104,439,987	25,501,386	80.37%
2016	128,378,464	80,850,000	8,621,342	72,228,658	56,149,806	56.26%
2015	122,874,109	83,600,000	7,419,662	76,180,338	46,693,771	62.00%
2014	121,907,896	89,205,000	6,524,247	82,680,753	39,227,143	67.82%
2013	122,971,433	91,705,790	6,450,170	85,255,620	35,591,603	69.33%
2012	122,839,128	93,113,312	6,466,914	86,646,398	29,743,114	70.54%
2011	123,280,503	97,524,685	6,263,482	91,261,203	25,841,524	74.03%
2010	122,799,551	15,986,413	4,300,664	11,685,749	111,113,802	9.52%

Source: Cuyahoga County Fiscal Officer and District financial records

Voted Debt Limit Calculation for Fiscal Year 2019

Assessed Value	\$ 1,578,823,180
Debt Limit (9% of assessed value)	X 9%
Voted Debt Limit	<u>\$ 142,094,086</u>

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

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

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

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

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rates ⁽³⁾		
					Cuyahoga County	Ohio	United States
2019	32,233	\$ 51,434	46.7	3,428	4.9%	4.2%	3.8%
2018	32,297	51,230	47.2	3,483	4.7%	4.6%	3.7%
2017	32,293	49,009	46.2	3,516	6.6%	5.0%	4.4%
2016	32,428	49,009	46.2	3,646	5.6%	5.0%	4.9%
2015	32,729	41,588	45.0	4,059	5.0%	4.3%	5.2%
2014	32,729	41,588	45.0	3,934	7.9%	5.5%	6.1%
2013	32,729	41,588	45.0	3,988	7.3%	7.2%	7.6%
2012	32,729	41,588	45.0	4,065	6.9%	7.0%	7.8%
2011	32,729	41,588	45.0	4,043	8.8%	9.2%	9.3%
2010	31,972	37,044	42.0	4,016	9.7%	10.0%	9.6%

Sources:

⁽¹⁾ U. S. Census Bureau. 2008-2010 census data, 2011-2015 census data, 2016 and 2017 census estimate.

⁽²⁾ School District records

⁽³⁾ Bureau of Labor Statistics. Unemployment rates for month of June of respective year.

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	December 31, 2018		
	Employees	Rank	Percentage of Total City Employment
University Hospitals Health Systems Inc.	2,908	1	8.40%
Hyland Software	2,120	2	6.11%
American Greetings Corporation	1,584	3	4.56%
TA Operating, LLC	876	4	2.52%
Westlake City Schools	618	5	1.78%
Brookdale Employee Services LLC	457	6	1.32%
City of Westlake	445	7	1.28%
Equity Administrative Services	425	8	1.22%
Cuyahoga Community College	372	9	1.07%
Cleveland Clinic Foundation	323	10	0.93%
Total	10,128		29.19%
Total City Employment	34,707		
Employer	December 31, 2009		
	Employees	Rank	Percentage of Total City Employment
St. John Westshore Hospital	1,273	1	4.80%
Hyland Software	754	2	2.85%
Westlake City Schools	577	3	2.18%
City of Westlake	420	4	1.59%
Energizer Manufacturing Inc	365	5	1.38%
Westbay Care and Rehabilitation	300	6	1.13%
Travel Centers of America	300	7	1.13%
Lutheran Home	300	8	1.13%
University Hospitals	248	9	0.94%
Lake Erie Electric Inc.	227	10	0.86%
Total	4,764		17.98%
Total City Employees	26,496		

Source: State of Ohio Department of Job & Family Services, Ohio Labor Market Information, Civilian Labor Force Estimates

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

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE
LAST TEN FISCAL YEARS**

Type	2019	2018	2017	2016
Professional Staff:				
Teaching Staff:				
Elementary	92	94	90	90
Intermediate	43	42	40	44
Middle	42	42	42	42
High	75	75	75	74
Administration:				
District	20	20	20	20
Auxiliary Positions:				
Counselors	10	10	10	9
Nurses	2	2	2	2
Speech	7	7	7	7
Mental Health Specialists	4	4	4	4
Support Staff:				
Secretarial	34	34	34	34
Aides	68	69	71	69
Hall monitor/Security	9	9	10	9
Technical	3	3	3	3
Cooks	32	32	32	32
Custodial	36	36	36	36
Maintenance	7	7	7	7
Bus Driver	52	54	55	58
Mechanics	3	3	3	3
Extracurricular	200	200	200	200
Total	<u>739</u>	<u>743</u>	<u>741</u>	<u>743</u>

Source: School District records
Head-count only

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
88	88	92	92	87	87
43	41	42	43	43	43
43	48	50	50	50	50
75	87	89	89	89	89
20	20	20	22	21	20
9	7	10	10	10	10
2	2	2	2	2	2
7	7	7	8	8	8
4	4	4	4	4	4
36	42	42	42	42	42
68	68	71	72	72	68
9	9	9	9	12	12
3	2	2	2	2	2
34	21	34	33	33	33
37	38	34	34	34	35
7	6	6	6	6	6
61	56	70	73	78	76
3	3	3	3	3	3
200	200	200	200	200	200
<u>749</u>	<u>749</u>	<u>787</u>	<u>794</u>	<u>796</u>	<u>790</u>

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

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2019	2018	2017	2016
Instruction:				
Regular and Special				
Enrollment (students)	3,428	3,483	3,516	3,646
Graduates	305	296	271	321
Support services:				
Board of education				
Regular meetings per year	12	12	12	12
Administration				
Student attendance percentage	94.3%	95.5%	95.0%	95.8%
Fiscal				
Purchase orders				
processed	3,315	4,698	5,246	5,200
Nonpayroll checks				
issued	3,691	4,188	4,729	4,997
Operations and maintenance				
Work orders completed	790	280	879	965
Square footage				
maintained ⁽¹⁾	804,957	804,957	825,860	825,860
Extracurricular activities				
Varsity teams	26	25	23	22
Junior varsity teams	24	19	17	16
Food service operations				
Meals served to students	217,226	207,186	210,914	223,628

Source: School District records

Note: Certain indicators reported in previous CAFR's have been deemed irrelevant and removed from the above schedule.

⁽¹⁾ Square footage revised from previous CAFR's. See scheule "School Building Information, Last Ten Fiscal Years" for detail on square footage maintained.

2015	2014	2013	2012	2011	2010
4,059 322	3,934 357	3,988 314	4,065 309	4,043 310	4,016 324
12	12	12	12	12	12
95.7%	95.7%	95.4%	95.4%	95.4%	95.0%
6,325	6,227	5,846	5,534	5,450	5,777
4,967	4,949	5,182	5,183	5,231	5,342
482	558	597	578	473	590
825,860	825,860	604,625	604,625	604,625	604,625
22 19	22 19	22 19	22 19	22 19	22 19
226,991	227,870	228,464	266,278	252,337	237,418

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	2019	2018	2017	2016
Land	\$ 2,576,787	\$ 2,576,787	\$ 2,468,751	\$ 2,468,751
Construction in progress	29,857,075	4,748,342	1,326,990	401,514
Land improvements	238,990	150,683	161,463	133,606
Buildings and improvements	102,662,123	105,287,289	106,812,970	109,106,769
Furniture and equipment	1,901,302	1,960,110	1,912,312	1,852,711
Vehicles	1,555,097	1,590,124	960,670	1,045,422
Textbooks and library books	-	-	-	241,790
	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities				
Capital Assets, net	<u>\$ 138,791,374</u>	<u>\$ 116,313,335</u>	<u>\$ 113,643,156</u>	<u>\$ 115,250,563</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

2015	2014	2013	2012	2011	2010
\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751
122,167	-	66,212,623	22,561,980	3,116,957	87,881
140,847	148,088	155,329	162,570	169,811	177,052
111,670,872	114,356,858	33,804,606	34,857,016	35,905,928	36,960,053
2,003,405	1,696,724	1,797,168	1,921,098	1,959,376	2,094,293
1,195,607	1,405,631	1,594,653	1,748,308	2,039,236	1,976,914
494,703	681,145	657,790	641,484	517,196	500,521
<u>\$ 118,096,352</u>	<u>\$ 120,757,197</u>	<u>\$ 106,690,920</u>	<u>\$ 64,361,207</u>	<u>\$ 46,177,255</u>	<u>\$ 44,265,465</u>

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

SCHOOL BUILDING INFORMATION ⁽¹⁾
LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Bassett Elementary (1967)[1987,1998]				
Square feet	41,880	41,880	41,880	41,880
Capacity (students)	335	335	335	335
Enrollment	324	343	368	402
Dover Elementary (1949)[1970]				
Square feet	43,671	43,671	43,671	43,671
Capacity (students)	352	352	352	352
Enrollment	339	336	316	326
Hilliard Elementary (1954)[1998]				
Square feet	40,937	40,937	40,937	40,937
Capacity (students)	328	328	328	328
Enrollment	335	319	315	308
Holly Lane Elementary (1961)[1998]				
Square feet	35,488	35,488	35,488	35,488
Capacity (students)	283	283	283	283
Enrollment	211	216	209	242
Parkside Intermediate (1966)[1998]				
Square feet	72,521	72,521	72,521	72,521
Capacity (students)	519	519	519	519
Enrollment	-	-	-	-
Dover Intermediate Schools (1975)[1982,1998,2014] ⁽⁴⁾				
Square feet	92,256	92,256	92,256	92,256
Capacity (students)	805	805	805	805
Enrollment	506	526	553	562
Lee Burneson Middle (2013)				
Square feet	103,100	103,100	103,100	103,100
Capacity (students)	1,040	1,040	1,040	1,040
Enrollment	572	567	613	614
Westlake High School (1960)[1970,1988] ⁽²⁾				
Square feet	-	-	-	-
Capacity (students)	-	-	-	-
Enrollment	-	-	-	-
Westlake High School (2013)[1998,2004] ⁽³⁾				
Square feet	363,441	363,441	363,441	363,441
Capacity (students)	2,106	2,106	2,106	2,106
Enrollment	1,141	1,176	1,142	1,192
Administration Building (2003) ⁽⁵⁾				
Square feet	-	-	20,903	20,903
Transportation Facility				
Square feet	11,663	11,663	11,663	11,663
Total Square Feet	804,957	804,957	825,860	825,860
Total Capacity	5,768	5,768	5,768	5,768
Total Enrollment	3,428	3,483	3,516	3,646

Source: School District records

⁽¹⁾ The schedule has been revised from the prior CAFR to consolidate totals by building.

⁽²⁾ Building was demolished upon completion of the new Westlake High School.

⁽³⁾ In 2013, the new High School was built attached to the existing Performing Arts Center (1998) and next to the freestanding Field House (2004).

⁽⁴⁾ Former Lee Burneson Facility renamed to Dover Intermediate School- 2014

⁽⁵⁾ Former Administration Building was transferred to the City of Westlake- 2018

Note: Year of original construction is in parentheses. Year of major addition/renovation is in brackets.

Increases in square footage and capacity are the result of renovations and additions.

Capacity is defined by standardized guidelines. District exceeded those guidelines in some years.

2015	2014	2013	2012	2011	2010
41,880	41,880	41,880	41,880	41,880	41,880
335	335	335	335	335	335
430	430	443	436	393	386
43,671	43,671	43,671	43,671	43,671	43,671
352	352	352	352	352	352
338	338	346	353	370	383
40,937	40,937	40,937	40,937	40,937	40,937
328	328	328	328	328	328
330	330	303	334	328	315
35,488	35,488	35,488	35,488	35,488	35,488
283	283	283	283	283	283
298	298	313	352	327	328
72,521	72,521	72,521	72,521	72,521	72,521
519	519	519	519	519	519
-	-	585	586	594	590
92,256	92,256	92,256	92,256	92,256	92,256
805	805	805	805	805	805
600	600	619	641	666	680
103,100	103,100	-	-	-	-
1,040	1,040	-	-	-	-
624	624	-	-	-	-
-	-	245,606	245,606	245,606	245,606
-	-	1,246	1,246	1,246	1,246
-	-	1,379	1,363	1,365	1,334
363,441	363,441	-	-	-	-
2,106	2,106	-	-	-	-
1,439	1,314	-	-	-	-
20,903	20,903	20,903	20,903	20,903	20,903
11,663	11,663	11,663	11,663	11,663	11,663
825,860	825,860	604,925	604,925	604,925	604,925
5,768	5,768	3,868	3,868	3,868	3,868
4,059	3,934	3,988	4,065	4,043	4,016

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

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	General Government		Governmental Activities		Enrollment
	Expenditures ⁽¹⁾	Cost per pupil	Expenses ⁽¹⁾	Cost per pupil	
2019	\$ 81,517,843	\$ 23,780	\$ 50,584,205	\$ 14,756	3,428
2018	60,329,364	17,321	29,887,633	8,581	3,483
2017	55,803,836	15,871	58,308,013	16,584	3,516
2016	53,578,126	14,695	55,729,634	15,285	3,646
2015	54,324,824	13,384	55,634,021	13,706	4,059
2014	73,805,674	18,761	59,591,017	15,148	3,934
2013	99,325,342	24,906	56,735,034	14,226	3,988
2012	74,621,210	18,357	56,108,545	13,803	4,065
2011	57,419,628	14,202	55,406,915	13,704	4,043
2010	53,280,301	13,267	53,391,664	13,295	4,016

Source: School District records

⁽¹⁾ Debt Service totals have been excluded. Cost per pupil calculated using general government expenditures which utilize the modified accrual basis of accounting and on governmental activities expenses which utilize the accrual basis of accounting.

⁽²⁾ Full-time certificated teaching staff.

Percent Change	Teaching Staff ⁽²⁾	Pupil/Teacher Ratio	Student Attendance Percentage
-1.58%	252	13.60	94.30%
-0.94%	253	13.77	95.50%
-3.57%	247	14.23	95.00%
-10.17%	250	14.58	95.80%
3.18%	249	16.30	95.70%
-1.35%	264	14.90	95.70%
-1.89%	273	14.61	95.40%
0.54%	274	14.84	95.40%
0.67%	269	15.03	95.40%
-0.62%	269	14.93	95.00%

CFO Staff

Robin Allen

Administrative Assistant

Deb Carroll

*Treasurer's Assistant-
Budgetary*

Robin Murray

Payroll Manager

Roberta Rence

Grants Management

Mary Studer

Accounts Payable-Payroll



<http://www.wlake.org>