

**WESTLAKE CITY SCHOOL DISTRICT  
WESTLAKE, OHIO**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

FOR THE  
FISCAL YEAR ENDED JUNE 30, 2018



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, 2018



PREPARED BY  
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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, 2018**

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# *INTRODUCTORY SECTION*

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December 28, 2018

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, 2018. 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 3,483 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 1898. Later in 1913, the school burned and a new school building was constructed to educate students. Over the years, the District has grown in size and now supports seven instructional buildings: high school (inclusive of a Performing Arts Center and Television studio), middle school, intermediate school and four elementary buildings. The schools range in age from 1 to 60 years old. The District operates a variety of non-classroom facilities that consist of athletic fields, an administration facility and a transportation depot.

### **Economic Condition and Outlook**

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

The U.S. Census Bureau estimates that the District's 2018 population was 32,297. 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.

	<b>Percent of Assessed Valuation of Real Property</b>
Residential	71.28%
Commercial/Industrial	26.66
Public Utility	2.06
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 daily 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.

Thirty-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, basketball court, playground area, parking facility, and four tennis courts.

The City opened its Recreation Center to the public on November 2, 1998. The Recreation Center includes a recreation building with an aquatic room housing five pools, a diving well, 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, 3,483 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) 296 professional staff members and 247 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 83.5% of the teaching staff have master's degrees. The District's faculty has an average of 17 years of teaching experience, compared to the statewide average of 16 years (as of fiscal year 2018).

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 2018, Lakewood High School has an enrollment of 1458. The vocational program has 96 full-time and part-time students, including 30 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, five students were identified as finalist, seven semi-finalists and an additional seven were named as commended scholars. 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.
- 96 students earned college credit through College Credit Plus program. Westlake High School currently offers 14 college level courses in English, American and World History, Psychology, Sociology, Biology and Calculus.
- High School students performed above state averages on the SAT and ACT examinations. The Class of 2017's average ACT score was 23.6 and average SAT score was 1281, 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 twenty 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 2017-18 – 98 in World Language, 52 in Honors Physical Science, 41 in Honors Geometry, 89 in Algebra I, and 16 in Algebra II.
- More than 42 WHS students served as peer tutors before and throughout the school day for their classmates.
- Among 2018 graduates, 92% enrolled in higher education, with 77% attending four-year colleges and 15% attending two-year colleges.
- In 2018, three 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 2017-18, 100% of the District's 3<sup>rd</sup> graders met the criteria for promotion to fourth grade under the State's "Third Grade Reading Guarantee".

### **Awards and Recognition**

- In 2018, Westlake High School received the Silver Medal Award in U.S. News and World Reports Best High Schools in the United States based on performance on state-required tests and how well students are prepared for college.
- A WHS senior won the 2018 Varsity National Champion title at the United States Geography Olympiad and went on to represent Team USA at the 2018 International Geography Olympiad.
- A WHS senior was named a U.S. Presidential Scholars Semifinalist.
- A WHS senior was named one of five winners of Teen Pitch Tank through the Young Entrepreneur Institute at University School.
- A WHS senior was named one of five national finalists in Marvel Studios' THOR: RAGNAROK SUPERPOWER OF STEM CHALLENGE.
- A WHS senior earned the National Speech and Debate Association's Academic All American Award.
- Seven WHS Technology & Engineering student teams won several awards at the Ohio State Fair Technology & Engineering Showcase, including Best of Show, Outstanding Award ribbons, and Award of Merit ribbons. The WHS Technology & Engineering Department display also won the Award of Excellence Trophy for the Best Technology Exhibit.
- The WHS Science Olympiad Team placed 5th in the State of Ohio at the state tournament. The team had a state champion in Ecology and nine Top 6 performances.
- WHS was named a 2017-2018 Cleveland Clinic Banner School, recognizing the school's noteworthy success in leveraging community resources to advance student learning.

- WHS bands and choirs earned top ratings at Ohio Music Education Association events. The Symphonic Band earned a Superior rating in Class AA, while Concert Band earned a Superior in Class C. Three choirs also earned Superiors – Chorale competed in Class AA, Women’s Ensemble in Class B and Freshmen Treble in Class C. Chamber Orchestra earned a Superior at the state level in Class A, Concert Orchestra earned a Superior in Class C, and Symphonic Wind Ensemble earned a Superior in Class AA.
- In 2018, the Class of 2018 provided over 25,085 service learning hours within the local community.
- 3 LBMS eighth-grade students qualified for the state You Be the Chemist Challenge.
- The LBMS Robotics Club placed 2nd and 3rd in tactile and non-tactile categories in the Maze event at the NEOTech Robotics Competition.
- In May 2016, Hilliard and Dover Elementary Schools, along with the School District as a whole, were recognized by the State Board of Education with Momentum Awards for exceeding expectations in student growth for the year. Schools and districts must earn straight A’s on all Value-Added measures on the state report card to receive the award. The school or district also must have at least two Value-Added subgroups of students, which includes gifted, lowest 20% in achievement, and students with disabilities. Award recipients are considered “models of excellence” for helping students succeed every day. Hilliard and Dover Elementary Schools are among the first winners of the award and part of an elite group of schools demonstrating that children of every background and ability can achieve. Only 165 schools statewide, and only 53 school districts (less than 10% of districts statewide), received a Momentum Award.
- Dover Elementary earned the Momentum Award from the Ohio Department of Education.
- Dover Elementary won the Healthy School award for the third consecutive year.
- Two DIS students had artwork selected for the Case Western Reserve University Youth Art Month Exhibit.

All four of the School District’s elementary schools are International Baccalaureate World Schools. 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.

In addition, the District continues to participate in several City/ District partnerships. Kindergarten through grade 12 students currently participate in an art exchange with Tralee, Ireland; the middle school students planted a rain garden with support from the Westlake Garden Club; and high school students worked with city engineers to design an eco-friendly retention basin.

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), K-3 Literacy (measuring the improvement in reading for students in kindergarten through 3rd grade) and Prepared for Success (measuring whether students who graduate are prepared for college or a career).

For academic years 2014-15, 2015-16, 2016-17 and 2017-18 the District's grades in the measures included within the components described above were:

	<b>Academic Year 2014-15 Grade</b>	<b>Academic Year 2015-16 Grade</b>	<b>Academic Year 2016-17 Grade</b>	<b>Academic Year 2017-18 Grade</b>
<b>Achievement</b>				
Performance Index	B	B	B	B
Performance Indicators	A	C	C	B
<b>Progress</b>				
Value Added: Overall	A	F	F	C
Value Added: Gifted	A	F	C	D
Value Added: Students with Disabilities	A	F	B	D
Value Added: Lowest 20% in Achievement	A	F	C	B
<b>Gap Closing</b>				
Annual Measurable Objectives (AMOs)	B	C	D	A
<b>Graduation Rate</b>				
Graduation Rate (four year)	A	A	A	A
Graduation Rate (five year)	B	A	A	A
<b>K-3 Literacy</b>				
K-3 Literacy Improvement	C	D	(Not rated due to fewer than 5% of Kindergarten students on an improvement plan) NR	NR

By satisfying 20 of the State's 24 performance indicators for academic year 2017-18 (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 a "B" for the overall rating system. School districts throughout the State, in the aggregate, were assigned the following Achievement Component designations related to their performance on the State's achievement assessments and graduation tests.

<b>Designation</b>	<b>Number of School Districts</b>
A	28
B	191
C	253
D	122
F	14

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 2017-18 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	9
B	26
C	53
D	207
F	313

### **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 - 2018; 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 2018 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 \$95,694 as of June 30, 2018. The trust fund earns interest and distributes scholarships.

### ***Independent Audit***

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Dave Yost, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2018. 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, 2017. 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,

A handwritten signature in black ink, appearing to read "Todd L. Hopkins".

Todd L. Hopkins, CFO/Treasurer

A handwritten signature in black ink, appearing to read "Scott Goggin".

Scott Goggin, Superintendent of Schools

**Westlake City School District**  
*Principal Officials*  
*June 30, 2018*

***Board of Education***

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

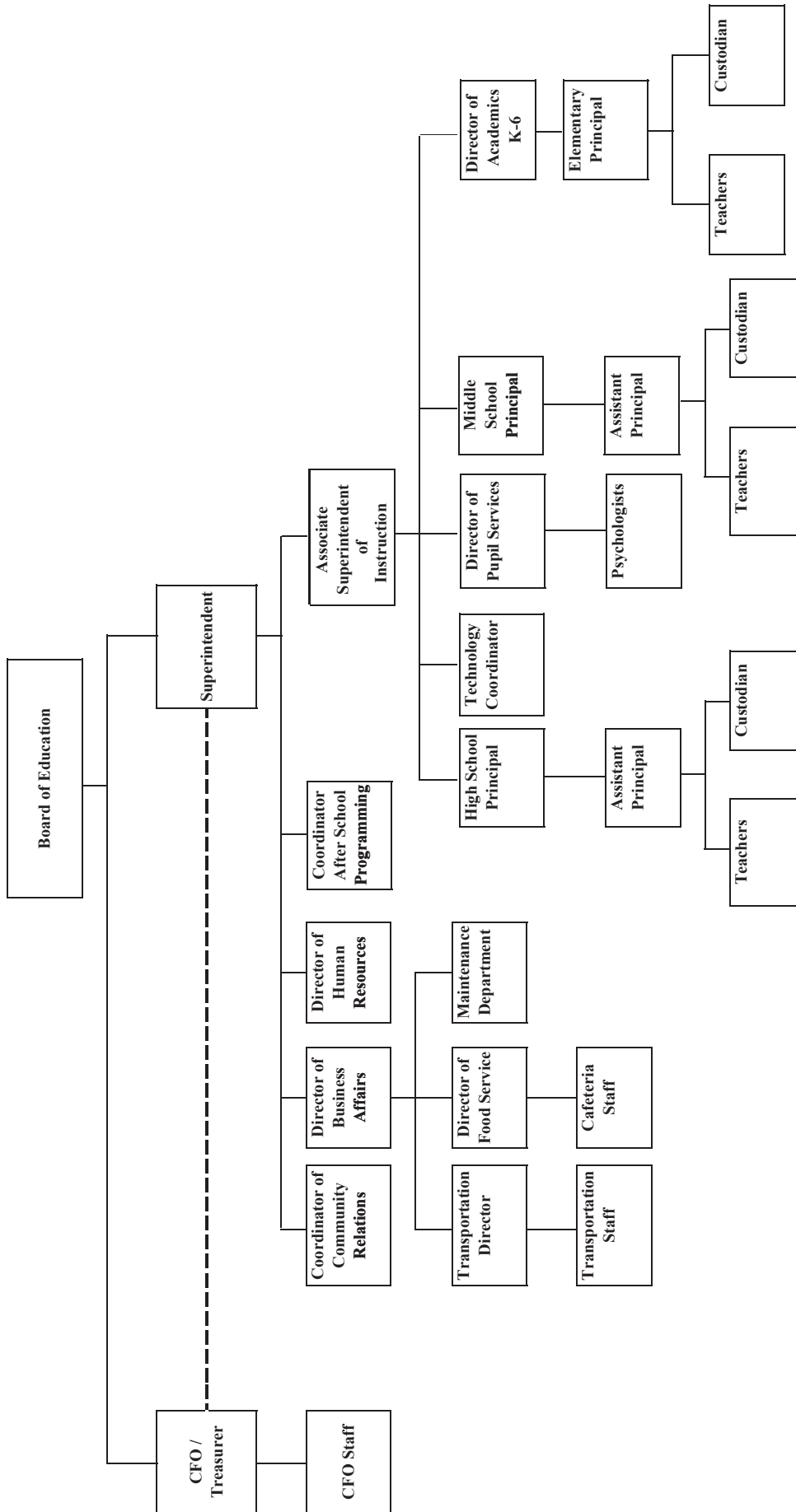
***Chief Financial Officer/Treasurer***

Mr. Todd L. Hopkins

***Executive Administration***

Mr. Scott Goggin ..... Superintendent  
Mr. David Kocevar..... Director of Business Affairs  
Mrs. Kathi Maxwell ..... Associate Superintendent of Instruction  
Mr. Alex Fleming .....Director 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, 2017**

*Christopher P. Morrell*

Executive Director/CEO



# ***FINANCIAL SECTION***

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# Dave Yost • Auditor of State

## 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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows 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.

### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and 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 28, 2018, 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, appearing to read "Dave Yost", is positioned above the printed name and title.

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 28, 2018

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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, 2018. 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 2018 are as follows:

- In total, net position of governmental activities increased \$31,046,919 which represents an 87.78% increase from 2017's restated net position.
- General revenues accounted for \$60,133,720 in revenue or 92.21% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions accounted for \$5,080,636 or 7.79% of total revenues of \$65,214,356.
- The District had \$34,167,437 in expenses related to governmental activities; only \$5,080,636 of these expenses was offset by program specific charges for services and sales, operating grants and contributions and capital grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$60,133,720 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 \$52,518,813 in revenues and other financing sources and \$50,757,881 in expenditures and other financing uses. During fiscal 2018, the general fund's fund balance increased \$1,760,932 from a balance of \$24,149,397 to \$25,910,329.
- The bond retirement fund had \$7,748,005 in revenues and \$6,959,603 in expenditures. During fiscal 2018, the bond retirement fund's fund balance increased \$788,402 from \$7,405,013 to \$8,193,415.
- The building fund had \$483,559 in revenues and \$4,790,360 in expenditures. During fiscal 2018, the building fund's fund balance decreased \$4,306,801 from \$34,050,009 to \$29,743,208.

**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, 2018  
(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 2018?" 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 14. 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, 2018  
(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.

**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 2018 and 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

	<b>Net Position</b>	
	Governmental Activities 2018	Restated Governmental Activities 2017
<b><u>Assets</u></b>		
Current and other assets	\$ 117,434,789	\$ 116,362,528
Capital assets, net	<u>116,313,335</u>	<u>113,643,156</u>
Total assets	<u>233,748,124</u>	<u>230,005,684</u>
<b><u>Deferred outflows of resources</u></b>		
Unamortized deferred charges	824,235	889,723
Pension	18,487,503	16,494,498
OPEB	<u>639,881</u>	<u>152,551</u>
Total deferred outflows	<u>19,951,619</u>	<u>17,536,772</u>
<b><u>Liabilities</u></b>		
Current liabilities	8,595,115	7,371,792
Long-term liabilities:		
Due within one year	2,475,878	2,875,233
Due in more than one year:		
Net pension liability	64,708,091	91,201,186
Net OPEB liability	15,334,441	19,241,500
Other amounts	<u>115,574,509</u>	<u>117,155,390</u>
Total liabilities	<u>206,688,034</u>	<u>237,845,101</u>
<b><u>Deferred inflows of resources</u></b>		
Property taxes	41,813,445	40,449,493
Pensions	7,386,872	4,618,565
OPEB	<u>2,135,176</u>	<u>-</u>
Total deferred inflows	<u>51,335,493</u>	<u>45,068,058</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	31,723,499	32,721,926
Restricted	10,969,008	8,742,844
Unrestricted (deficit)	<u>(47,016,291)</u>	<u>(76,835,473)</u>
Total net position (deficit)	<u>\$ (4,323,784)</u>	<u>\$ (35,370,703)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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.

Governmental Accounting Standards Board 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 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, 2018  
(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, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from a deficit of \$16,281,754 to a deficit of \$35,370,703.

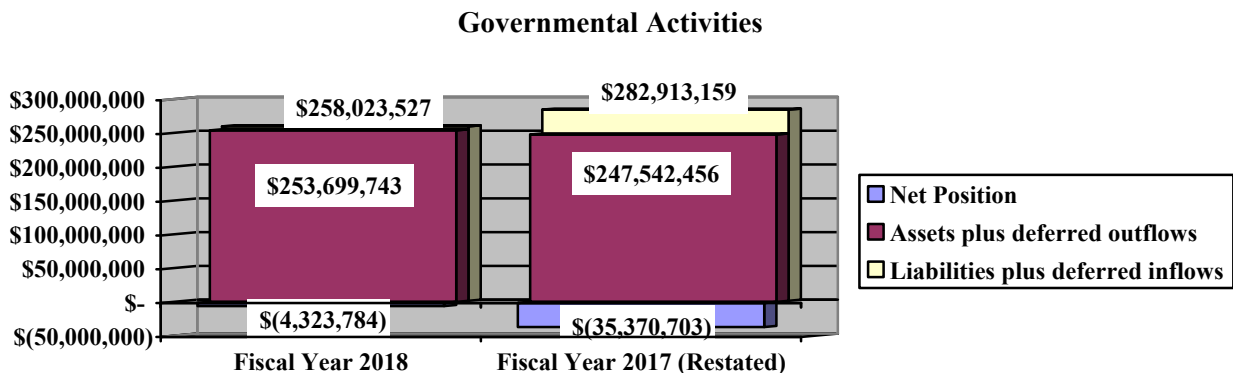
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the District's liabilities plus deferred inflows exceeded assets plus deferred outflows by \$4,323,784. Of this total, \$10,969,008 is restricted in use.

At year-end, capital assets represented 49.76% 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, 2018, was \$31,723,499. 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.

Long-term liabilities decreased primarily due to a decrease in the net pension liability. This factor is 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 to District employees, not the District.

A portion of the District's net position, \$10,969,008, 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 \$47,016,291.

The graph below illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2018 and 2017. The amounts at June 30, 2017 have been restated as described in Note 3.A.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

The table below shows the change in net position for fiscal years 2018 and 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

	<b>Change in Net Position</b>	
	Governmental	Restated
	Activities	Governmental
	2018	2017
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 2,304,329	\$ 2,477,331
Operating grants and contributions	2,776,307	3,975,874
General revenues:		
Property taxes	49,383,105	43,152,983
Payment in lieu of taxes	506,058	455,000
Grants and entitlements	9,333,934	9,383,072
Investment earnings	647,724	206,295
Miscellaneous	262,899	475,485
Total revenues	<u>65,214,356</u>	<u>60,126,040</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	9,561,942	22,656,445
Special	4,270,413	8,484,307
Vocational	994,315	776,899
Adult/continuing	1,568	3,886
Other	1,294,993	1,790,306
Support services:		
Pupil	1,947,875	3,894,367
Instructional staff	1,349,033	1,703,423
Board of education	20,468	42,201
Administration	1,534,687	3,215,516
Fiscal	940,223	1,264,203
Business	321,226	463,803
Operations and maintenance	2,929,868	5,160,733
Pupil transportation	1,985,454	3,794,474
Central	137,169	444,195
Operation of non-instructional services:		
Food service operations	929,969	1,284,778
Other non-instructional services	918,540	1,563,850
Extracurricular activities	749,890	1,764,627
Interest and fiscal charges	4,279,804	4,160,226
Total expenses	<u>34,167,437</u>	<u>62,468,239</u>
Change in net position	31,046,919	(2,342,199)
Net position (deficit) at beginning of year (restated)	<u>(35,370,703)</u>	<u>N/A</u>
Net position (deficit) at end of year	<u>\$ (4,323,784)</u>	<u>\$ (35,370,703)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

**Governmental Activities**

Net position of the District's governmental activities increased \$31,046,919. Total governmental expenses of \$34,167,437 were offset by program revenues of \$5,080,636 and general revenues of \$60,133,720. Program revenues supported 14.87% 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 90.04% 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, 2018, June 30, 2017 and June 30, 2016 was \$6,768,365, \$7,984,240 and \$14,015,645, respectively. The fluctuations in these amounts caused the reported increase for fiscal year 2018 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. Property tax revenue was also increased due to the property tax levy approved on November 8, 2016 which includes a 1.3 mill bond issue to replace the four aging elementary schools with one new elementary campus and a 0.8 mill continuing permanent improvement levy. The District realized a full year of collection on these levies in fiscal year 2018. Charges for services and sales remained comparable to fiscal year 2017. Operating grants and contributions decreased primarily due to less federal funding being received in fiscal year 2018. Payments in lieu of taxes (PILOT) revenue consists primarily of an American Greetings PILOT which remained comparable to the prior year. Investment earnings increased as the District had more money to invest due to the issuance of bonds and 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.

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$152,551 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$2,080,423. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$ 34,167,437
Negative OPEB expense under GASB 75	2,080,423
2018 contractually required contributions	<u>178,790</u>
Adjusted 2018 program expenses	36,426,650
Total 2017 program expenses under GASB 45	<u>62,468,239</u>
Decrease in program expenses not related to OPEB	<u>\$ (26,041,589)</u>

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

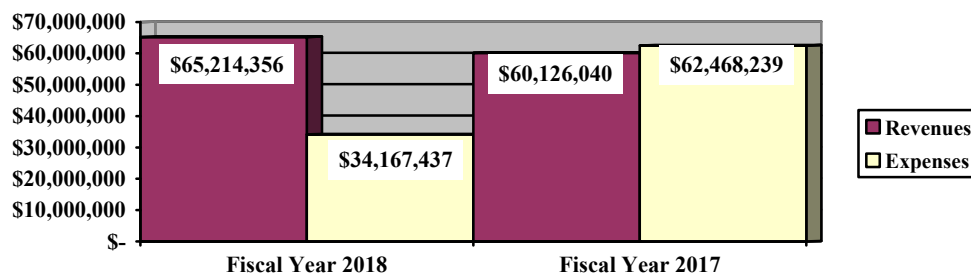
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

Overall, expenses of the governmental activities decreased \$28,300,802 or 45.30%. This decrease is primarily the result of the State Teachers Retirement System (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%. On an accrual basis, the District reported (\$21,319,021) in pension expense and (\$2,080,423) in OPEB expense mainly due to these benefit changes by the retirement systems. Fluctuations in the pension expense reported under GASB 68 makes it difficult to compare financial information between years. Pension expense is a component of program expenses reported on the statement of activities. To assess fluctuations in program expenses, the increase or decrease in pension expense should be factored into the analysis. Pension expense, by function, for 2018 and 2017 follows:

	2018 Pension Expense	2017 Pension Expense	Increase (Decrease)
Program expenses:			
Instruction:			
Regular	\$ (9,693,155)	\$ 2,449,098	\$ (12,142,253)
Special	(3,514,534)	868,742	(4,383,276)
Vocational	(90,245)	22,765	(113,010)
Adult / continuing	(2,168)	526	(2,694)
Other	(231,125)	79,592	(310,717)
Support services:			
Pupil	(1,425,685)	363,497	(1,789,182)
Instructional staff	(621,573)	148,632	(770,205)
Board of education	(8,215)	3,170	(11,385)
Administration	(1,144,217)	295,077	(1,439,294)
Fiscal	(259,995)	65,954	(325,949)
Business	(202,746)	41,983	(244,729)
Operations and maintenance	(1,404,925)	354,840	(1,759,765)
Pupil transportation	(1,333,548)	350,938	(1,684,486)
Central	(177,486)	48,799	(226,285)
Operation of non-instructional services:			
Other non-instructional services	(375,659)	98,868	(474,527)
Food service operations	(307,940)	80,232	(388,172)
Extracurricular activities	(525,805)	130,751	(656,556)
Total	<u>\$ (21,319,021)</u>	<u>\$ 5,403,464</u>	<u>\$ (26,722,485)</u>

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2018 and 2017.

**Governmental Activities - Revenues and Expenses**



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(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 reported under GASB 68 makes it difficult to compare financial information between years.

**Governmental Activities**

	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 9,561,942	\$ 9,134,900	\$ 22,656,445	\$ 22,260,424
Special	4,270,413	3,505,873	8,484,307	7,660,096
Vocational	994,315	987,211	776,899	769,647
Adult/continuing	1,568	(40,383)	3,886	(483,155)
Other	1,294,993	961,139	1,790,306	1,327,403
Support services:				
Pupil	1,947,875	1,920,426	3,894,367	3,738,102
Instructional staff	1,349,033	1,276,122	1,703,423	1,653,488
Board of education	20,468	20,468	42,201	42,201
Administration	1,534,687	1,534,213	3,215,516	3,214,172
Fiscal	940,223	940,223	1,264,203	1,264,203
Business	321,226	321,226	463,803	463,803
Operations and maintenance	2,929,868	2,846,158	5,160,733	5,082,824
Pupil transportation	1,985,454	1,728,482	3,794,474	3,487,195
Central	137,169	137,169	444,195	444,195
Operation of non-instructional services:				
Food service operations	929,969	(311,255)	1,284,778	111,109
Other non-instructional services	918,540	(362,003)	1,563,850	(175,490)
Extracurricular activities	749,890	207,028	1,764,627	994,591
Interest and fiscal charges	4,279,804	4,279,804	4,160,226	4,160,226
<b>Total expenses</b>	<u><u>\$ 34,167,437</u></u>	<u><u>\$ 29,086,801</u></u>	<u><u>\$ 62,468,239</u></u>	<u><u>\$ 56,015,034</u></u>

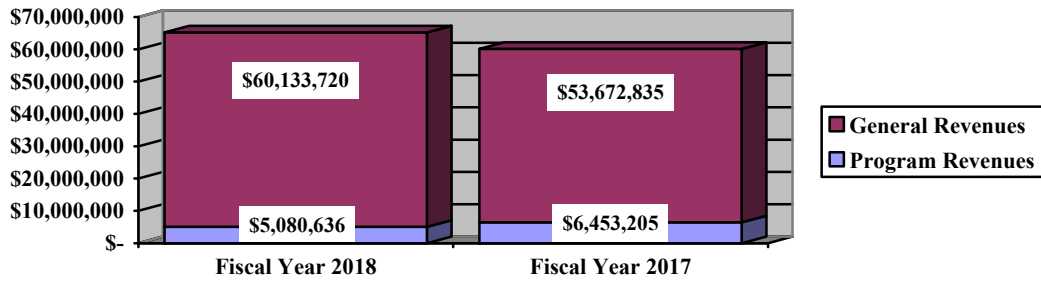
The dependence upon tax and other general revenues for governmental activities is apparent, as 90.23% of instruction activities are supported through taxes, grants and entitlements and other general revenues. For all governmental activities, general revenue support is 85.13%. Taxes and unrestricted grants 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, 2018  
(UNAUDITED)**

The graph below presents the District's governmental activities revenue for fiscal year 2018 and 2017.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds (as presented on page 23) reported a combined fund balance of \$65,947,717, which is higher than last year's total of \$66,972,323. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	Fund Balance June 30, 2018	Fund Balance June 30, 2017	Change
General	\$ 25,910,329	\$ 24,149,397	\$ 1,760,932
Bond Retirement	8,193,415	7,405,013	788,402
Building	29,743,208	34,050,009	(4,306,801)
Other Governmental	2,100,765	1,367,904	732,861
Total	<u>\$ 65,947,717</u>	<u>\$ 66,972,323</u>	<u>\$ (1,024,606)</u>



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

***General Fund***

The District's general fund balance increased \$1,760,932. 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.

	2018 <u>Amount</u>	2017 <u>Amount</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>				
Taxes and payments in lieu of taxes	\$ 42,220,567	\$ 36,993,258	\$ 5,227,309	14.13 %
Tuition	918,965	887,429	31,536	3.55 %
Earnings on investments	178,703	61,134	117,569	192.31 %
Intergovernmental	8,368,365	8,845,860	(477,495)	(5.40) %
Other revenues	<u>810,842</u>	<u>1,172,350</u>	<u>(361,508)</u>	(30.84) %
Total	<u>\$ 52,497,442</u>	<u>\$ 47,960,031</u>	<u>\$ 4,537,411</u>	9.46 %
<b><u>Expenditures</u></b>				
Instruction	\$ 29,957,784	\$ 29,467,751	490,033	1.66 %
Support services	18,853,880	18,918,563	(64,683)	(0.34) %
Other non-instructional services	710,174	723,100	(12,926)	(1.79) %
Extracurricular activities	1,083,372	1,293,376	(210,004)	(16.24) %
Facilities acquisition and construction	31,229	469,795	(438,566)	(93.35) %
Debt service	<u>97,200</u>	<u>97,200</u>	<u>-</u>	- %
Total	<u>\$ 50,733,639</u>	<u>\$ 50,969,785</u>	<u>\$ (236,146)</u>	(0.46) %

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, 2018, June 30, 2017, and June 30, 2016 was \$5,729,859, \$6,702,435, and \$11,799,861, respectively. The fluctuations in these amounts caused the reported increase for fiscal year 2018 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 more money to invest and 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 2017 versus fiscal year 2018. The District received and accrued substantial refunds from the Bureau of Workers' Compensation in fiscal year 2017.

Expenditures for instruction, support services and non-instructional services remained comparable to the prior year. Instruction increased due to normal and customary wage and benefit increased. Facilities and acquisition expenditures decreased due to the completion of the Field House renovation project.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

***Bond Retirement Fund***

The bond retirement fund had \$7,748,005 in revenues and \$6,959,603 in expenditures. During fiscal 2018, the bond retirement fund's fund balance increased \$788,402 from \$7,405,013 to \$8,193,415. Property tax and intergovernmental revenues exceed debt service requirements on current obligations. 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, 2018, June 30, 2017 and June 30, 2016 was \$887,508, \$1,105,206, and \$2,215,784, respectively. The fluctuations in these amounts caused the reported increase for fiscal year 2018 in tax revenue. The amount collected and available for advance can vary depending upon when tax bills are sent.

***Building Fund***

The building fund had \$483,559 in revenues and \$4,790,360 in expenditures. During fiscal 2018, the building fund's fund balance decreased \$4,306,801 from \$34,050,009 to \$29,743,208 as the District used bond proceeds for construction projects.

***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 2018 the District amended its general fund budget several times. For the general fund, final budgeted revenues and other financing sources were \$48,194,477, which was lower than original budgeted revenues and other financing sources estimate of \$50,024,619. Actual revenues and other financing sources for fiscal 2018 were \$53,151,880 this is an increase of \$4,957,403 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 \$52,537,676 were increased to \$52,842,284 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2018 totaled \$51,622,755, which was \$1,219,529 lower than the final budget appropriations

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2018, the District had \$116,313,335 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 2018 balances compared to 2017:

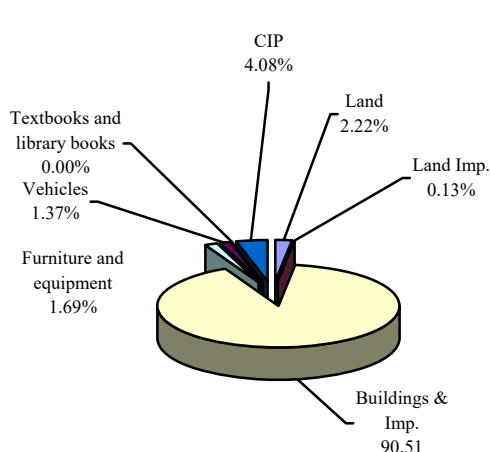
**Capital Assets at June 30  
(Net of Depreciation)**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Land	\$ 2,576,787	\$ 2,468,751
Construction in progress	4,748,342	1,326,990
Land improvements	150,683	161,463
Buildings and improvements	105,287,289	106,812,970
Furniture and equipment	1,960,110	1,912,312
Vehicles	1,590,124	960,670
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 116,313,335</u>	<u>\$ 113,643,156</u>

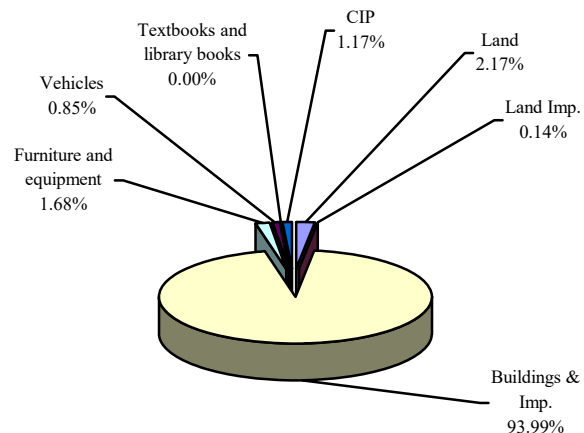
The overall increase in capital assets of \$2,670,179 is primarily due to additions of \$5,988,514 exceeding depreciation expense of \$3,305,906 and disposals of \$12,429 (net of accumulated depreciation).

The graphs below present the District's capital assets for fiscal 2018 and fiscal 2017.

**Governmental Activities - 2018**



**Governmental Activities - 2017**



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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

***Debt Administration***

At June 30, 2018, the District had \$109,674,048 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, \$2,045,000 is due within one year and \$107,629,048 is due in more than one year.

The following table summarizes the bonds outstanding:

**Outstanding Debt, at Year End**

	Governmental Activities <u>2018</u>	Governmental Activities <u>2017</u>
Current interest bonds	\$ 56,585,000	\$ 58,920,000
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	<u>164,048</u>	<u>131,898</u>
Total	<u>\$ 109,674,048</u>	<u>\$ 111,976,898</u>

The District made \$2,335,000 in principal payments on the current interest bonds during fiscal year 2018. The capital appreciation bonds accreted \$32,150 in interest during 2018.

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 Continuous Improvement Plan (CIP), which provides a roadmap for District achievement and performance measurement. This monitoring process was recently affirmed by the rating agencies of Moody's and Standard and Poor's.

The financial future of the District is not without its internal as well as external challenges. In the foreseeable future, the internal challenge will remain as long as the District is required to rely on local property taxes to fund its operations. External challenges continue to evolve as the District absorbs additional unfunded mandates 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)**

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.

**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](mailto:HopkinsT@wlake.org).

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

STATEMENT OF NET POSITION  
JUNE 30, 2018

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 66,458,774
Receivables:	
Property taxes . . . . .	50,141,961
Accounts. . . . .	21,638
Accrued interest . . . . .	49,223
Intergovernmental . . . . .	643,872
Prepayments . . . . .	91,711
Materials and supplies inventory. . . . .	20,627
Inventory held for resale. . . . .	6,983
Capital assets:	
Nondepreciable capital assets . . . . .	7,325,129
Depreciable capital assets, net . . . . .	108,988,206
Capital assets, net . . . . .	116,313,335
Total assets. . . . .	<u>233,748,124</u>
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding . . . . .	824,235
Pension (Note 13) . . . . .	18,487,503
OPEB (Note 14) . . . . .	639,881
Total deferred outflows of resources . . . . .	<u>19,951,619</u>
<b>Liabilities:</b>	
Accounts payable. . . . .	631,692
Contracts payable. . . . .	1,300,105
Retainage payable . . . . .	90,977
Accrued wages and benefits payable . . . . .	5,034,446
Intergovernmental payable . . . . .	134,684
Pension and postemployment benefits payable . . . . .	735,535
Accrued interest payable . . . . .	653,676
Unearned revenue . . . . .	14,000
Long-term liabilities:	
Due within one year. . . . .	2,475,878
Due in more than one year:	
Net pension liability (Note 13) . . . . .	64,708,091
Net OPEB liability (Note 14) . . . . .	15,334,441
Other amounts due in more than one year . . . . .	115,574,509
Total liabilities . . . . .	<u>206,688,034</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	41,813,445
Pension (Note 13) . . . . .	7,386,872
OPEB (Note 14) . . . . .	2,135,176
Total deferred inflows of resources . . . . .	<u>51,335,493</u>
<b>Net position:</b>	
Net investment in capital assets . . . . .	31,723,499
Restricted for:	
Capital projects . . . . .	2,540,232
Debt service. . . . .	7,570,414
Locally funded programs . . . . .	217,018
State funded programs. . . . .	83,491
Federally funded programs . . . . .	49,409
Student activities . . . . .	196,567
Other purposes . . . . .	311,877
Unrestricted (deficit) . . . . .	(47,016,291)
Total net position (deficit). . . . .	<u>\$ (4,323,784)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular . . . . .	\$ 9,561,942	\$ 395,083	\$ 31,959	\$ (9,134,900)
Special . . . . .	4,270,413	-	764,540	(3,505,873)
Vocational . . . . .	994,315	-	7,104	(987,211)
Adult/continuing. . . . .	1,568	-	41,951	40,383
Other . . . . .	1,294,993	-	333,854	(961,139)
Support services:				
Pupil. . . . .	1,947,875	-	27,449	(1,920,426)
Instructional staff . . . . .	1,349,033	-	72,911	(1,276,122)
Board of education . . . . .	20,468	-	-	(20,468)
Administration. . . . .	1,534,687	-	474	(1,534,213)
Fiscal. . . . .	940,223	-	-	(940,223)
Business. . . . .	321,226	-	-	(321,226)
Operations and maintenance . . . . .	2,929,868	83,710	-	(2,846,158)
Pupil transportation. . . . .	1,985,454	57,888	199,084	(1,728,482)
Central . . . . .	137,169	-	-	(137,169)
Operation of non-instructional services				
Food service operations . . . . .	929,969	833,121	408,103	311,255
Other non-instructional services . . . . .	918,540	594,235	686,308	362,003
Extracurricular activities. . . . .	749,890	340,292	202,570	(207,028)
Interest and fiscal charges . . . . .	4,279,804	-	-	(4,279,804)
Total governmental activities . . . . .	\$ 34,167,437	\$ 2,304,329	\$ 2,776,307	(29,086,801)
General revenues:				
Property taxes levied for:				
General purposes . . . . .				41,797,143
Debt service. . . . .				6,417,674
Capital outlay. . . . .				1,168,288
Payments in lieu of taxes. . . . .				506,058
Grants and entitlements not restricted				
to specific programs . . . . .				9,333,934
Investment earnings . . . . .				647,724
Gain on sale of assets . . . . .				8,942
Miscellaneous . . . . .				253,957
Total general revenues . . . . .				60,133,720
Change in net position . . . . .				31,046,919
Net position (deficit)				
at beginning of year (restated) . . . . .				(35,370,703)
Net position (deficit) at end of year. . . . .				\$ (4,323,784)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments . . . . .	\$ 25,612,661	\$ 7,305,907	\$ 31,171,286	\$ 2,368,920	\$ 66,458,774
Receivables:					
Property taxes. . . . .	42,650,192	6,346,600	-	1,145,169	50,141,961
Accounts . . . . .	19,604	-	-	2,034	21,638
Accrued interest . . . . .	39,108	-	10,115	-	49,223
Interfund loans . . . . .	229,486	-	-	-	229,486
Intergovernmental. . . . .	372,806	-	-	271,066	643,872
Prepayments . . . . .	91,711	-	-	-	91,711
Materials and supplies inventory. . . . .	15,143	-	-	5,484	20,627
Inventory held for resale. . . . .	-	-	-	6,983	6,983
Total assets . . . . .	<u>\$ 69,030,711</u>	<u>\$ 13,652,507</u>	<u>\$ 31,181,401</u>	<u>\$ 3,799,656</u>	<u>\$ 117,664,275</u>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ 324,917	\$ -	\$ 47,111	\$ 259,664	\$ 631,692
Contracts payable . . . . .	-	-	1,300,105	-	1,300,105
Retainage payable . . . . .	-	-	90,977	-	90,977
Accrued wages and benefits payable . . . . .	4,933,331	-	-	101,115	5,034,446
Compensated absences payable . . . . .	87,118	-	-	-	87,118
Intergovernmental payable . . . . .	109,707	-	-	24,977	134,684
Pension and postemployment benefits payable . . . . .	708,480	-	-	27,055	735,535
Interfund loans payable. . . . .	-	-	-	229,486	229,486
Unearned revenue. . . . .	14,000	-	-	-	14,000
Total liabilities. . . . .	<u>6,177,553</u>	<u>-</u>	<u>1,438,193</u>	<u>642,297</u>	<u>8,258,043</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year. . . . .	35,587,798	5,264,369	-	961,278	41,813,445
Delinquent property tax revenue not available. . . . .	1,332,535	194,723	-	32,893	1,560,151
Intergovernmental revenue not available. . . . .	-	-	-	62,372	62,372
Interest revenue not available . . . . .	22,496	-	-	-	22,496
Miscellaneous revenue not available. . . . .	-	-	-	51	51
Total deferred inflows of resources . . . . .	<u>36,942,829</u>	<u>5,459,092</u>	<u>-</u>	<u>1,056,594</u>	<u>43,458,515</u>
<b>Fund balances:</b>					
Nonspendable:					
Materials and supplies inventory . . . . .	15,143	-	-	5,484	20,627
Prepays. . . . .	91,711	-	-	-	91,711
Restricted:					
Debt service. . . . .	-	8,193,415	-	-	8,193,415
Capital improvements . . . . .	-	-	29,743,208	1,365,885	31,109,093
Food service operations . . . . .	-	-	-	353,117	353,117
Non-public schools . . . . .	-	-	-	80,454	80,454
Targeted academic assistance . . . . .	-	-	-	10,699	10,699
Extracurricular . . . . .	-	-	-	196,516	196,516
Other purposes. . . . .	-	-	-	234,132	234,132
Committed:					
Capital improvements . . . . .	8,693	-	-	-	8,693
Health insurance . . . . .	1,160,000	-	-	-	1,160,000
Assigned:					
Student instruction . . . . .	269,094	-	-	-	269,094
Student and staff support. . . . .	834,592	-	-	-	834,592
Extracurricular activities . . . . .	7	-	-	-	7
Facilities acquisition and construction . . . . .	1,200	-	-	-	1,200
School supplies . . . . .	13,461	-	-	-	13,461
Subsequent year appropriations . . . . .	1,183,227	-	-	-	1,183,227
Other purposes. . . . .	6,400	-	-	-	6,400
Unassigned (deficit) . . . . .	22,326,801	-	-	(145,522)	22,181,279
Total fund balances . . . . .	<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>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 69,030,711</u>	<u>\$ 13,652,507</u>	<u>\$ 31,181,401</u>	<u>\$ 3,799,656</u>	<u>\$ 117,664,275</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, 2018

<b>Total governmental fund balances</b>		\$ 65,947,717
<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.		116,313,335
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 1,560,151	
Accounts receivable	51	
Accrued interest receivable	22,496	
Intergovernmental receivable	62,372	
Total	<u>1,645,070</u>	1,645,070
Unamortized premiums on bonds issued are not recognized in the funds.		(3,741,208)
Unamortized deferred amounts on debt refundings are not recognized in the funds.		824,235
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(653,676)
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	18,487,503	
Deferred Inflows - Pension	(7,386,872)	
Net pension liability	(64,708,091)	
Total	<u>(53,607,460)</u>	(53,607,460)
The net OPEB 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 - OPEB	639,881	
Deferred Inflows - OPEB	(2,135,176)	
Net OPEB liability	(15,334,441)	
Total	<u>(16,829,736)</u>	(16,829,736)
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	(109,674,048)	
Capital lease obligations	(764,617)	
Compensated absences	(3,783,396)	
Total	<u>(114,222,061)</u>	(114,222,061)
<b>Net position (deficit) of governmental activities</b>		<u>\$ (4,323,784)</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, 2018

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
From local sources:					
Property taxes . . . . .	\$ 41,714,509	\$ 6,411,557	\$ -	\$ 1,166,278	\$ 49,292,344
Payment in lieu of taxes . . . . .	506,058	-	-	-	506,058
Tuition . . . . .	918,965	-	-	-	918,965
Transportation fees . . . . .	57,888	-	-	-	57,888
Earnings on investments . . . . .	178,703	-	483,559	81	662,343
Charges for services . . . . .	-	-	-	833,121	833,121
Extracurricular . . . . .	180,869	-	-	108,937	289,806
Classroom materials and fees . . . . .	94,968	-	-	-	94,968
Rental income . . . . .	84,710	-	-	-	84,710
Contributions and donations . . . . .	37,895	-	-	206,443	244,338
Contract services . . . . .	25,571	-	-	-	25,571
Other local revenues . . . . .	328,941	-	-	105,175	434,116
Intergovernmental - state . . . . .	8,280,005	528,044	-	696,347	9,504,396
Intergovernmental - federal . . . . .	88,360	808,404	-	1,734,411	2,631,175
Total revenues . . . . .	<u>52,497,442</u>	<u>7,748,005</u>	<u>483,559</u>	<u>4,850,793</u>	<u>65,579,799</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	19,832,649	-	-	45,231	19,877,880
Special . . . . .	7,774,456	-	-	928,529	8,702,985
Vocational . . . . .	1,060,469	-	-	-	1,060,469
Adult/continuing . . . . .	-	-	-	4,150	4,150
Other . . . . .	1,290,210	-	-	344,951	1,635,161
Support services:					
Pupil . . . . .	3,649,065	-	-	43,974	3,693,039
Instructional staff . . . . .	1,897,734	-	-	84,936	1,982,670
Board of education . . . . .	31,249	-	-	-	31,249
Administration . . . . .	2,868,350	16,485	-	3,417	2,888,252
Fiscal . . . . .	1,176,509	73,906	-	12,945	1,263,360
Business . . . . .	485,547	-	-	-	485,547
Operations and maintenance . . . . .	4,906,984	-	-	-	4,906,984
Pupil transportation . . . . .	3,448,349	-	-	43,741	3,492,090
Central . . . . .	390,093	-	-	-	390,093
Operation of non-instructional services:					
Food service operations . . . . .	-	-	-	1,212,683	1,212,683
Other non-instructional services . . . . .	710,174	-	-	693,978	1,404,152
Extracurricular activities . . . . .	1,083,372	-	-	295,905	1,379,277
Facilities acquisition and construction . . . . .	31,229	-	4,790,360	283,734	5,105,323
Capital outlay . . . . .	-	-	-	814,000	814,000
Debt service:					
Principal retirement . . . . .	90,013	2,335,000	-	144,000	2,569,013
Interest and fiscal charges . . . . .	7,187	4,534,212	-	-	4,541,399
Total expenditures . . . . .	<u>50,733,639</u>	<u>6,959,603</u>	<u>4,790,360</u>	<u>4,956,174</u>	<u>67,439,776</u>
Excess of revenues over (under) expenditures . . . . .	<u>1,763,803</u>	<u>788,402</u>	<u>(4,306,801)</u>	<u>(105,381)</u>	<u>(1,859,977)</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets . . . . .	21,371	-	-	-	21,371
Transfers in . . . . .	-	-	-	24,242	24,242
Transfers (out) . . . . .	(24,242)	-	-	-	(24,242)
Capital lease transaction . . . . .	-	-	-	814,000	814,000
Total other financing sources (uses) . . . . .	<u>(2,871)</u>	<u>-</u>	<u>-</u>	<u>838,242</u>	<u>835,371</u>
Net change in fund balances . . . . .	1,760,932	788,402	(4,306,801)	732,861	(1,024,606)
<b>Fund balances at beginning of year . . . . .</b>	<b>24,149,397</b>	<b>7,405,013</b>	<b>34,050,009</b>	<b>1,367,904</b>	<b>66,972,323</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 25,910,329</b>	<b>\$ 8,193,415</b>	<b>\$ 29,743,208</b>	<b>\$ 2,100,765</b>	<b>\$ 65,947,717</b>

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, 2018

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>(1,024,606)</b>
<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	\$ 5,988,514	
Current year depreciation	<u>(3,305,906)</u>	
Total		2,682,608
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(12,429)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes	90,761	
Other local revenue	51	
Earnings on investments	(14,583)	
Intergovernmental	<u>(450,614)</u>	
Total		(374,385)
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	2,335,000	
Capital leases	<u>234,013</u>	
Total		2,569,013
Issuances of capital leases are recorded as other financing source in the funds; however, in the statement of activities, they are not reported as revenue as they increase liabilities on the statement of net position.		(814,000)
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	120,799	
Accreted interest on capital appreciation bonds	(32,150)	
Amortization of bond premiums	238,434	
Amortization of deferred charges	<u>(65,488)</u>	
Total		261,595
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		4,398,772
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		21,319,021
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		178,790
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		2,080,423
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.		<u>(217,883)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>31,046,919</b>

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, 2018

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 40,175,534	\$ 38,705,716	\$ 42,687,081	\$ 3,981,365
Payment in lieu of taxes. . . . .	460,000	460,000	506,058	46,058
Tuition. . . . .	313,939	302,454	333,565	31,111
Transportation fees. . . . .	54,482	52,489	57,888	5,399
Earnings on investments . . . . .	228,499	220,140	242,784	22,644
Extracurricular. . . . .	113,858	109,693	120,976	11,283
Classroom materials and fees . . . . .	11,526	11,105	12,247	1,142
Rental income . . . . .	63,834	61,499	67,825	6,326
Contract services. . . . .	24,066	23,186	25,571	2,385
Other local revenues . . . . .	27,801	9,955	12,238	2,283
Intergovernmental - state . . . . .	7,768,819	7,484,598	8,254,483	769,885
Intergovernmental - federal . . . . .	81,312	78,337	86,395	8,058
Total revenues . . . . .	<u>49,323,670</u>	<u>47,519,172</u>	<u>52,407,111</u>	<u>4,887,939</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	20,696,938	20,378,135	20,107,684	270,451
Special. . . . .	7,592,689	7,795,417	7,781,858	13,559
Vocational. . . . .	1,056,737	1,081,317	1,060,506	20,811
Other. . . . .	1,509,785	1,574,776	1,470,579	104,197
Support services:				
Pupil. . . . .	4,021,304	4,035,178	3,890,735	144,443
Instructional staff . . . . .	1,843,372	1,859,906	1,843,125	16,781
Board of education . . . . .	51,428	34,290	34,290	-
Administration. . . . .	3,260,032	3,078,486	3,023,728	54,758
Fiscal . . . . .	1,322,740	1,371,645	1,260,670	110,975
Business . . . . .	486,739	589,467	579,263	10,204
Operations and maintenance. . . . .	5,377,882	5,424,392	5,207,030	217,362
Pupil transportation . . . . .	3,687,267	3,661,738	3,598,268	63,470
Central. . . . .	485,336	453,086	406,198	46,888
Operation of non-instructional services:				
Other non-instructional services . . . . .	32,991	39,391	25,600	13,791
Extracurricular activities. . . . .	905,400	937,180	937,180	-
Facilities acquisition and construction . . . . .	168,236	122,380	64,947	57,433
Total expenditures . . . . .	<u>52,498,876</u>	<u>52,436,784</u>	<u>51,291,661</u>	<u>1,145,123</u>
Excess of revenues over (under) expenditures. . . . .	<u>(3,175,206)</u>	<u>(4,917,612)</u>	<u>1,115,450</u>	<u>6,033,062</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	308,597	297,308	327,890	30,582
Refund of prior year's receipts. . . . .	(3,800)	(1,141)	(1,141)	-
Transfers (out). . . . .	(10,000)	(24,242)	(24,242)	-
Advances in. . . . .	372,238	358,619	395,508	36,889
Advances (out) . . . . .	(25,000)	(305,711)	(305,711)	-
Other financing (use). . . . .	-	(74,406)	-	74,406
Sale of capital assets . . . . .	20,114	19,378	21,371	1,993
Total other financing sources (uses) . . . . .	<u>662,149</u>	<u>269,805</u>	<u>413,675</u>	<u>143,870</u>
Net change in fund balance . . . . .	(2,513,057)	(4,647,807)	1,529,125	6,176,932
<b>Fund balance at beginning of year . . . . .</b>	<b>21,781,082</b>	<b>21,781,082</b>	<b>21,781,082</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>1,142,284</b>	<b>1,142,284</b>	<b>1,142,284</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 20,410,309</u></b>	<b><u>\$ 18,275,559</u></b>	<b><u>\$ 24,452,491</u></b>	<b><u>\$ 6,176,932</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018

	<b>Private-Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 95,694	\$ 296,655
<b>Liabilities:</b>		
Intergovernmental payable . . . . .	-	\$ 2,204
Due to students. . . . .	-	294,451
Total liabilities . . . . .	-	\$ 296,655
<b>Net position:</b>		
Held in trust for scholarships . . . . .	95,694	
Total net position. . . . .	\$ 95,694	

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, 2018

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest. . . . .	\$ 2
Gifts and contributions. . . . .	15,257
Total additions. . . . .	<u>15,259</u>
<b>Deductions:</b>	
Scholarships awarded . . . . .	<u>9,250</u>
Change in net position . . . . .	6,009
<b>Net position at beginning of year. . . . .</b>	<u>89,685</u>
<b>Net position at end of year . . . . .</b>	<u><u>\$ 95,694</u></u>

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, 2018**

**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) 296 professional staff members and 247 non-teaching and support staff employees who provide services to 3,483 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, 2018**

**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 \$101,053 to Connect during fiscal year 2018. Connect is governed by a four-member Board of Directors consisting of the Superintendent of the Educational Service Center of Cuyahoga County, 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 Cuyahoga County Educational Service Center, 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 241 school districts, educational service centers, joint vocational districts, and Developmental Disabilities boards in 33 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 2018, the District paid \$825 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, 2018**

**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 for 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 257 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  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2018**

**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, 2018**

**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, 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, 2018, but which were levied to finance fiscal year 2019 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, 2018**

**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, 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, 2018**

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

During fiscal year 2018, investments were limited to Federal Home Loan Bank (FHLB) securities, FHLB discount notes, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, negotiable CD's, commercial paper, U.S Treasury bills, 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 an NAV per share that approximates fair value.

For fiscal year 2018, 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 2018 amounted to \$178,703 which includes \$47,263 assigned from other District funds.

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

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

**G. Inventory**

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

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2018**

**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, 2018, 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, net pension and net OPEB and liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized as a liability in the fund financial statements when due.

**M. Net Position**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**O. Estimates**

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

**P. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, 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 2018.

**R. Interfund Activity**

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

**S. Nonpublic Schools**

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

**T. Prepayments**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**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/Restatement of Net Position**

For fiscal year 2018, the District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 81 "Irrevocable Split-Interest Agreements" GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the District's postemployment benefit plan disclosures, as presented in Note 14 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

A net position restatement is required in order to implement GASB Statement No 75. The governmental activities at July 1, 2017 have been restated as follows:

	<u>Governmental Activities</u>
Net position as previously reported	\$ (16,281,754)
Deferred outflows - payments subsequent to measurement date	152,551
Net OPEB liability	<u>(19,241,500)</u>
Restated net position at July 1, 2017	<u>\$ (35,370,703)</u>

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

**B. Deficit Fund Balances**

Fund balances at June 30, 2018 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
IDEA Part B	\$ 143,797
Preschool stimulus	229
Improving teacher quality	1,496

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:

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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Deposits with Financial Institutions**

At June 30, 2018, the carrying amount of all District deposits was \$11,067,790. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2018, \$11,520,557 of the District's bank balance of \$12,020,557 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 market 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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the District's financial institutions were approved for a reduced collateral rate of 50 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.

**B. Investments**

As of June 30, 2018, 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	Greater Than 24 months
<i>Fair Value:</i>					
FHLB	\$ 3,764,860	\$ -	\$ 1,243,493	\$ 2,521,367	\$ -
FHLB discount notes	5,193,245	5,193,245	-	-	-
FHLMC	2,480,191	-	-	2,480,191	-
FNMA	4,899,483	-	1,779,899	-	3,119,584
Negotiable CD's	1,470,234	247,567	492,882	-	729,785
Commercial paper	22,305,698	22,305,698	-	-	-
U.S. Treasury bills	12,509,041	12,509,041	-	-	-
U.S. Treasury notes	2,841,538	2,841,538	-	-	-
U.S. government money market mutual funds	210,672	210,672	-	-	-
<i>Amortized Cost:</i>					
STAR Ohio	108,371	108,371	-	-	-
Total	\$ 55,783,333	\$ 43,416,132	\$ 3,516,274	\$ 5,001,558	\$ 3,849,369

The weighted average maturity of investments is 0.48 years.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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, FHLMC, and FNMA), commercial paper, U.S. Treasury bills, 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, FHLMC, and FNMA) and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The FHLB discount notes were rated A-1+ and P-1 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. The U.S. Treasury bills were rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio and the U.S. government money market mutual funds were rated AA+ 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.

*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, and FNMA), FHLB discount 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.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2018:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FHLB	\$ 3,764,860	6.75
FHLB discount notes	5,193,245	9.31
FHLMC	2,480,191	4.45
FNMA	4,899,483	8.78
Negotiable CD's	1,470,234	2.64
Commercial paper	22,305,698	39.99
U.S. Treasury bills	12,509,041	22.42
U.S. Treasury notes	2,841,538	5.09
U.S. government money market mutual funds	210,672	0.38
<i>Amortized Cost:</i>		
STAR Ohio	108,371	0.19
	<u>\$ 55,783,333</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, 2018:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,067,790
Investments	<u>55,783,333</u>
Total	<u>\$ 66,851,123</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 66,458,774
Private-purpose trust fund	95,694
Agency fund	<u>296,655</u>
Total	<u>\$ 66,851,123</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2018, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 229,486

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 5 - INTERFUND TRANSACTIONS – (Continued)**

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. Interfund loans receivable/payable between governmental funds are eliminated for reporting on the statement of net position.

- B.** Interfund transfers for the year ended June 30, 2018, 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>\$ 24,242</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.

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, 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, 2018, are available to finance fiscal year 2018 operations. The amount available as an advance at June 30, 2018 was \$5,729,859 in the general fund, \$887,508 in the bond retirement fund, and \$150,998 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2017 was \$6,702,435 in the general fund, \$1,105,206 in the bond retirement fund and \$176,599 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.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - PROPERTY TAXES - (Continued)**

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018 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 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,415,841,400	98.06	\$ 1,421,129,760	97.94
Public utility personal	<u>27,951,630</u>	<u>1.94</u>	<u>29,844,940</u>	<u>2.06</u>
Total	<u>\$ 1,443,793,030</u>	<u>100.00</u>	<u>\$ 1,450,974,700</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 70.20		\$ 69.90	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2018 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	\$ 50,141,961
Accounts	21,638
Intergovernmental	643,872
Accrued interest	<u>49,223</u>
Total governmental activities	<u>\$ 50,856,694</u>

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE**

During 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, 2018 was \$425,552 leaving a current book value of \$818,636.

A corresponding liability was recorded in the statement of net position. Principal payments in the 2018 fiscal year totaled \$234,013. 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, 2018.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2019	\$ 239,074
2020	143,055
2021	143,146
2022	143,172
2023	<u>144,130</u>
Total future required payments	812,577
Less: amount representing interest	<u>(47,960)</u>
Present value of minimum lease payments	<u><u>\$ 764,617</u></u>

**WESTLAKE CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the fiscal year-ended June 30, 2018, was as follows:

	Balance <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2018</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,468,751	\$ 108,036	\$ -	\$ 2,576,787
Construction in progress	<u>1,326,990</u>	<u>4,541,880</u>	<u>(1,120,528)</u>	<u>4,748,342</u>
Total capital assets, not being depreciated	<u>3,795,741</u>	<u>4,649,916</u>	<u>(1,120,528)</u>	<u>7,325,129</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	249,807	-	-	249,807
Buildings and improvements	135,432,803	1,125,187	(8,937)	136,549,053
Furniture and equipment	7,983,776	429,963	(2,541)	8,411,198
Vehicles	3,811,911	903,976	(317,458)	4,398,429
Textbooks and library books	<u>4,170,521</u>	<u>-</u>	<u>-</u>	<u>4,170,521</u>
Total capital assets, being depreciated	<u>151,648,818</u>	<u>2,459,126</u>	<u>(328,936)</u>	<u>153,779,008</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(88,344)	(10,780)	-	(99,124)
Buildings and improvements	(28,619,833)	(2,650,868)	8,937	(31,261,764)
Furniture and equipment	(6,071,464)	(382,165)	2,541	(6,451,088)
Vehicles	(2,851,241)	(262,093)	305,029	(2,808,305)
Textbooks and library books	<u>(4,170,521)</u>	<u>-</u>	<u>-</u>	<u>(4,170,521)</u>
Total accumulated depreciation	<u>(41,801,403)</u>	<u>(3,305,906)</u>	<u>316,507</u>	<u>(44,790,802)</u>
Governmental activities capital assets, net	<u>\$ 113,643,156</u>	<u>\$ 3,803,136</u>	<u>\$ (1,132,957)</u>	<u>\$ 116,313,335</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,974,570
Special	141,518
Vocational	43,531
Adult/continuing	263
Support Services:	
Pupil	96,585
Instructional staff	148,750
Administration	106,564
Fiscal	7,846
Business	93,658
Operations and maintenance	199,651
Pupil transportation	279,686
Central	7,299
Operation of non instructional services:	
Food service operations	101,358
Extracurricular activities	<u>104,627</u>
Total depreciation expense	<u><u>\$ 3,305,906</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:				
Library Improvements				
Refunding - Series 2006	2006	\$ 3,785,000	3.55-5.0%	December 1, 2017
School Improvements - Series 2010	2010	\$ 84,055,000	1.5-6.028%	December 1, 2043
School Improvements				
Refunding - Series 2011	2011	\$ 6,540,000	3.40-5.0%	December 1, 2027
School Improvements				
Restructuring - Series 2014	2014	\$ 2,830,000	2.29-4.50%	December 1, 2025
School Improvements				
Refunding - Series 2014	2014	\$ 55,700,000	2.00-5.00%	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



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

During fiscal year 2018, the following changes occurred in governmental activities long-term obligations. The long-term obligations at June 30, 2017 have been restated as described in Note 3.A.

	Restated Balance <u>June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>	Amounts Due in <u>One Year</u>
<b>Governmental activities</b>					
General Obligation bonds:					
Library improvements refunding - Series 2006:					
Serial bonds	\$ 565,000	\$ -	\$ (565,000)	\$ -	\$ -
Unamortized premium	10,572	-	(10,572)	-	-
School improvements - Series 2010:					
Serial bonds	2,825,000	-	(825,000)	2,000,000	895,000
Unamortized premium	929,817	-	(98,736)	831,081	-
Sinking fund bonds	11,260,000	-	-	11,260,000	-
School improvements refunding - Series 2011:					
Serial bonds	5,005,000	-	(415,000)	4,590,000	425,000
Unamortized premium	254,674	-	(24,449)	230,225	-
Capital appreciation bonds	180,000	-	-	180,000	-
Accretion on capital appreciation bonds	131,898	32,150	-	164,048	-
School improvements restructuring - Series 2014:					
Serial bonds	2,830,000	-	-	2,830,000	430,000
School improvements refunding - Series 2014:					
Serial bonds	33,060,000	-	-	33,060,000	-
Term bonds	22,490,000	-	-	22,490,000	-
Unamortized premium	2,299,895	-	(87,062)	2,212,833	-
School improvements - Series 2016:					
Serial bonds	6,505,000	-	(65,000)	6,440,000	70,000
Term bonds	2,685,000	-	-	2,685,000	-
Unamortized premium	379,991	-	(14,385)	365,606	-
School improvements - Series 2017:					
Serial bonds	8,130,000	-	(465,000)	7,665,000	225,000
Term bonds	16,310,000	-	-	16,310,000	-
Unamortized premium	104,693	-	(3,230)	101,463	-
Total general obligation bonds	<u>115,956,540</u>	<u>32,150</u>	<u>(2,573,434)</u>	<u>113,415,256</u>	<u>2,045,000</u>
Net pension liability	91,201,186	-	(26,493,095)	64,708,091	-
Net OPEB liability	19,241,500	-	(3,907,059)	15,334,441	-
Total liability	<u>110,442,686</u>	<u>-</u>	<u>(30,400,154)</u>	<u>80,042,532</u>	<u>-</u>
Capital lease obligation	184,630	814,000	(234,013)	764,617	221,617
Compensated absences	3,889,453	500,033	(518,972)	3,870,514	209,261
Total long-term liabilities	<u>\$ 230,473,309</u>	<u>\$ 1,346,183</u>	<u>\$ (33,726,573)</u>	<u>\$ 198,092,919</u>	<u>\$ 2,475,878</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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

Library Improvement Refunding Bonds - Series 2006

On October 12, 2006, the District issued \$3,785,000 in library improvement refunding bonds to advance refund a portion of the 1998 library improvement bonds. The refunding bonds were sold at a premium of \$279,092. Proceeds of \$3,996,593 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 1998 library improvement bonds. As a result, \$3,805,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. There are no obligations outstanding as of June 30, 2018.

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

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

School Improvement 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.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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.

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, 2018, the outstanding amount of the refunded bonds is \$4,925,000.

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, 2018, a total of \$164,048 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.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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, 2018, the outstanding amount of the refunded bonds is \$57,165,000.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Future Debt Service Requirements

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2018, are as follows:

Fiscal Year Ending,	<u>General Obligation Bonds</u>		<u>Capital Appreciation Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 2,045,000	\$ 7,795,955	\$ -	\$ -	\$ 2,045,000	\$ 7,795,955
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 - 2028	15,120,000	31,201,554	-	-	15,120,000	31,201,554
2029 - 2033	15,160,000	14,795,634	-	-	15,160,000	14,795,634
2034 - 2038	21,680,000	11,039,459	-	-	21,680,000	11,039,459
2039 - 2043	28,290,000	6,220,510	-	-	28,290,000	6,220,510
2044 - 2048	13,245,000	1,760,682	-	-	13,245,000	1,760,682
2049 - 2050	3,975,000	160,900	-	-	3,975,000	160,900
Total	<u>\$ 109,330,000</u>	<u>\$ 103,431,030</u>	<u>\$ 180,000</u>	<u>\$ 305,000</u>	<u>\$ 109,510,000</u>	<u>\$ 103,736,030</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

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.

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, 2018, are a voted debt margin of \$29,271,138 including available funds of \$8,193,415 and an unvoted debt margin of \$1,450,975.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

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

**B. Insurance Benefits**

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

**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 2018, the District is contracted with the Ohio School Plan to provide property, fleet and liability insurance, as well as boiler and machinery coverage. There is a \$1,000 deductible with an agreed value co-insurance for property and a \$1,000 deductible for boiler and machinery coverage. There is no deductible for general liability.

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

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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 2018, 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 2018, 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, 2018**

**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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent 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  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The District's contractually required contribution to SERS was \$1,185,406 for fiscal year 2018. Of this amount, \$63,302 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](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2018, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$3,213,366 for fiscal year 2018. Of this amount, \$535,002 is reported as pension and postemployment benefits payable.

***Net Pension Liability***

The net pension liability was measured as of June 30, 2017, 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	0.27119170%	0.21316412%	
Proportion of the net pension liability current measurement date	<u>0.26905890%</u>	<u>0.20472312%</u>	
Change in proportionate share	<u>-0.00213280%</u>	<u>-0.00844100%</u>	
Proportionate share of the net pension liability	\$ 16,075,675	\$ 48,632,416	\$ 64,708,091
Pension expense	\$ (779,670)	\$ (20,539,351)	\$ (21,319,021)

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At June 30, 2018, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 691,843	\$ 1,877,954	\$ 2,569,797
Changes of assumptions	831,286	10,636,444	11,467,730
Difference between District contributions and proportionate share of contributions/change in proportionate share	51,204	-	51,204
District contributions subsequent to the measurement date	<u>1,185,406</u>	<u>3,213,366</u>	<u>4,398,772</u>
Total deferred outflows of resources	<u><u>\$ 2,759,739</u></u>	<u><u>\$ 15,727,764</u></u>	<u><u>\$ 18,487,503</u></u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 391,958	\$ 391,958
Net difference between projected and actual earnings on pension plan investments	76,308	1,604,925	1,681,233
Difference between District contributions and proportionate share of contributions/change in proportionate share	<u>431,501</u>	<u>4,882,180</u>	<u>5,313,681</u>
Total deferred inflows of resources	<u><u>\$ 507,809</u></u>	<u><u>\$ 6,879,063</u></u>	<u><u>\$ 7,386,872</u></u>

\$4,398,772 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, 2019. 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:			
2019	\$ 443,676	\$ 427,377	\$ 871,053
2020	789,113	2,610,626	3,399,739
2021	208,493	2,251,030	2,459,523
2022	(374,757)	346,303	(28,454)
2023	<u>(1)</u>	<u>(1)</u>	<u>(2)</u>
Total	<u><u>\$ 1,066,524</u></u>	<u><u>\$ 5,635,335</u></u>	<u><u>\$ 6,701,859</u></u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, 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 percent of male rates, and 110 percent of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent 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.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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.

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

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) 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	\$ 22,308,859	\$ 16,075,675	\$ 10,854,112

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS Ohio***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent 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.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

**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 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 69,712,913	\$ 48,632,416	\$ 30,875,257



**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 14 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

The net OPEB liability reported on the statement of net position represents a liability 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 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 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.

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. Resulting adjustments to the net OPEB liability 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* 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](http://www.ohsers.org) under Employers/Audit Resources.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent 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 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$134,886.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$178,790 for fiscal year 2018. Of this amount, \$137,231 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](http://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 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Net OPEB Liability***

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability 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	0.27510210%	0.21316412%	
Proportion of the net OPEB liability current measurement date	<u>0.27375630%</u>	<u>0.20472312%</u>	
Change in proportionate share	<u>-0.00134580%</u>	<u>-0.00844100%</u>	
Proportionate share of the net OPEB liability	\$ 7,346,900	\$ 7,987,541	\$ 15,334,441
OPEB expense	\$ 421,434	\$ (2,501,857)	\$ (2,080,423)

At June 30, 2018, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 461,091	\$ 461,091
District contributions subsequent to the measurement date	<u>178,790</u>	<u>-</u>	<u>178,790</u>
Total deferred outflows of resources	<u>\$ 178,790</u>	<u>\$ 461,091</u>	<u>\$ 639,881</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 19,402	\$ 341,406	\$ 360,808
Changes of assumptions	697,183	643,423	1,340,606
Difference between District contributions and proportionate share of contributions/change in proportionate share	<u>46,825</u>	<u>386,937</u>	<u>433,762</u>
Total deferred inflows of resources	<u>\$ 763,410</u>	<u>\$ 1,371,766</u>	<u>\$ 2,135,176</u>

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$178,790 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 in the year ending June 30, 2019. 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:			
2019	\$ (274,417)	\$ (180,231)	\$ (454,648)
2020	(274,417)	(180,231)	(454,648)
2021	(209,724)	(180,231)	(389,955)
2022	(4,850)	(180,229)	(185,079)
2023	(2)	(94,879)	(94,881)
Thereafter	<u>-</u>	<u>(94,874)</u>	<u>(94,874)</u>
Total	<u>\$ (763,410)</u>	<u>\$ (910,675)</u>	<u>\$ (1,674,085)</u>

***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.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

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

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 percent, 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.

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 Stocks	22.50	4.75
Non-US Stocks	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, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. 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 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent 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, 2025. 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, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. 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.

**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 (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$ 8,872,317	\$ 7,346,900	\$ 6,138,380

**WESTLAKE CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$ 5,961,459	\$ 7,346,900	\$ 9,180,555

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended discount rate of return	4.13 percent
Health care cost trends	6 to 11 percent initial, 4.5 percent ultimate

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 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. 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. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Also, since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return *</u>
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	<u>1.00</u>	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.

**Discount Rate** - The discount rate used to measure the total OPEB liability was 4.13 percent 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 not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. 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 blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate*** - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability 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 (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 10,723,145	\$ 7,987,541	\$ 5,825,519
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 5,549,401	\$ 7,987,541	\$ 11,196,418

**NOTE 15 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**C. Foundation Funding**

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 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**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	\$ 961,546
Building	3,016,084
Other governmental	<u>243,555</u>
Total	<u>\$ 4,221,185</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, 2017	\$ -
Current year set-aside requirement	615,726
Current year qualifying expenditures	<u>(1,160,488)</u>
Total	<u>\$ (544,762)</u>
Balance carried forward to fiscal year 2019	<u>\$ -</u>
Set-aside balance June 30, 2018	<u>\$ -</u>

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

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

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 1,529,125
Net adjustment for revenue accruals	(727,942)
Net adjustment for expenditure accruals	361,873
Net adjustment for other sources/uses	(442,097)
Funds budgeted elsewhere	(66,937)
Adjustment for encumbrances	<u>1,106,910</u>
GAAP basis	<u><u>\$ 1,760,932</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, 2018**

**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 \$1,205,301 in fiscal year 2018. 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.

## 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 FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.26905890%	0.27119170%	0.28263580%	0.27893800%	0.27893800%
District's proportionate share of the net pension liability	\$ 16,075,675	\$ 19,848,730	\$ 16,127,473	\$ 14,116,893	\$ 16,587,548
District's covered payroll	\$ 8,748,650	\$ 8,365,800	\$ 8,508,816	\$ 8,105,375	\$ 8,292,471
District's proportionate share of the net pension liability as a percentage of its covered payroll	183.75%	237.26%	189.54%	174.17%	200.03%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

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

**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 FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.20472312%	0.21316412%	0.21933350%	0.23516789%	0.23516789%
District's proportionate share of the net pension liability	\$ 48,632,416	\$ 71,352,456	\$ 60,617,364	\$ 57,200,969	\$ 68,137,421
District's covered payroll	\$ 22,400,429	\$ 22,329,993	\$ 22,883,779	\$ 24,027,662	\$ 25,656,777
District's proportionate share of the net pension liability as a percentage of its covered payroll	217.10%	319.54%	264.89%	238.06%	265.57%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

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

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,185,406	\$ 1,224,811	\$ 1,171,212	\$ 1,121,462
Contributions in relation to the contractually required contribution	<u>(1,185,406)</u>	<u>(1,224,811)</u>	<u>(1,171,212)</u>	<u>(1,121,462)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,780,785	\$ 8,748,650	\$ 8,365,800	\$ 8,508,816
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,123,405	\$ 1,147,678	\$ 1,087,963	\$ 1,039,322	\$ 1,062,728	\$ 729,581
<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>(729,581)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,105,375	\$ 8,292,471	\$ 8,088,944	\$ 8,268,274	\$ 7,848,804	\$ 7,414,441
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,213,366	\$ 3,136,060	\$ 3,126,199	\$ 3,203,729
Contributions in relation to the contractually required contribution	<u>(3,213,366)</u>	<u>(3,136,060)</u>	<u>(3,126,199)</u>	<u>(3,203,729)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 22,952,614	\$ 22,400,429	\$ 22,329,993	\$ 22,883,779
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 3,123,596	\$ 3,335,381	\$ 3,261,763	\$ 3,218,832	\$ 3,111,261	\$ 2,920,173
<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>(2,920,173)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 24,027,662	\$ 25,656,777	\$ 25,090,485	\$ 24,760,246	\$ 23,932,777	\$ 22,462,869
13.00%	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 TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.27375630%	0.27510210%
District's proportionate share of the net OPEB liability	\$ 7,346,900	\$ 7,841,427
District's covered payroll	\$ 8,748,650	\$ 8,365,800
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	83.98%	93.73%
Plan fiduciary net position as a percentage of the total OPEB liability	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  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.20472312%	0.21316412%
District's proportionate share of the net OPEB liability	\$ 7,987,541	\$ 11,400,073
District's covered payroll	\$ 22,400,429	\$ 22,329,993
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.66%	51.05%
Plan fiduciary net position as a percentage of the total OPEB liability	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 178,790	\$ 152,551	\$ 140,400	\$ 180,055
Contributions in relation to the contractually required contribution	<u>(178,790)</u>	<u>(152,551)</u>	<u>(140,400)</u>	<u>(180,055)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,780,785	\$ 8,748,650	\$ 8,365,800	\$ 8,508,816
Contributions as a percentage of covered payroll	2.04%	1.74%	1.68%	2.12%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 117,161	\$ 133,554	\$ 169,897	\$ 237,626	\$ 186,396	\$ 417,212
<u>(117,161)</u>	<u>(133,554)</u>	<u>(169,897)</u>	<u>(237,626)</u>	<u>(186,396)</u>	<u>(417,212)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,105,375	\$ 8,292,471	\$ 8,088,944	\$ 8,268,274	\$ 7,848,804	\$ 7,414,441
1.45%	1.61%	2.10%	2.87%	2.37%	5.63%

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</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	\$ 22,952,614	\$ 22,400,429	\$ 22,329,993	\$ 22,883,779
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 246,777	\$ 256,568	\$ 250,905	\$ 247,602	\$ 239,328	\$ 224,629
<u>(246,777)</u>	<u>(256,568)</u>	<u>(250,905)</u>	<u>(247,602)</u>	<u>(239,328)</u>	<u>(224,629)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 24,027,662	\$ 25,656,777	\$ 25,090,485	\$ 24,760,246	\$ 23,932,777	\$ 22,462,869
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PENSION

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*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 changed in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

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 year 2018.

*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.

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.

(Continued)

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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*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 2017-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 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.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

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

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.

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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, 2018

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 40,175,534	\$ 38,705,716	\$ 42,687,081	\$ 3,981,365
Payment in lieu of taxes . . . . .	460,000	460,000	506,058	46,058
Tuition . . . . .	313,939	302,454	333,565	31,111
Transportation fees . . . . .	54,482	52,489	57,888	5,399
Earnings on investments . . . . .	228,499	220,140	242,784	22,644
Extracurricular. . . . .	113,858	109,693	120,976	11,283
Classroom materials and fees . . . . .	11,526	11,105	12,247	1,142
Rental income. . . . .	63,834	61,499	67,825	6,326
Contract services . . . . .	24,066	23,186	25,571	2,385
Other local revenues . . . . .	27,801	9,955	12,238	2,283
Intergovernmental - state . . . . .	7,768,819	7,484,598	8,254,483	769,885
Intergovernmental - federal . . . . .	81,312	78,337	86,395	8,058
Total revenues. . . . .	<u>49,323,670</u>	<u>47,519,172</u>	<u>52,407,111</u>	<u>4,887,939</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular:				
Salaries and wages . . . . .	14,089,089	14,258,441	14,258,441	-
Fringe benefits . . . . .	5,158,856	4,707,871	4,700,767	7,104
Purchased services . . . . .	579,763	684,820	605,908	78,912
Supplies . . . . .	729,230	713,873	529,438	184,435
Capital outlay . . . . .	70,000	980	980	-
Other . . . . .	70,000	12,150	12,150	-
Total regular . . . . .	<u>20,696,938</u>	<u>20,378,135</u>	<u>20,107,684</u>	<u>270,451</u>
Special:				
Salaries and wages . . . . .	5,045,565	5,121,866	5,121,866	-
Fringe benefits . . . . .	2,196,964	2,135,911	2,135,911	-
Purchased services . . . . .	294,058	492,722	492,514	208
Supplies . . . . .	43,555	23,258	18,703	4,555
Capital outlay . . . . .	11,997	21,660	12,864	8,796
Other . . . . .	550	-	-	-
Total special . . . . .	<u>7,592,689</u>	<u>7,795,417</u>	<u>7,781,858</u>	<u>13,559</u>
Vocational:				
Salaries and wages . . . . .	133,287	133,202	133,202	-
Fringe benefits . . . . .	45,139	42,671	42,671	-
Purchased services . . . . .	878,311	905,444	884,633	20,811
Total vocational . . . . .	<u>1,056,737</u>	<u>1,081,317</u>	<u>1,060,506</u>	<u>20,811</u>
Other:				
Salaries and wages . . . . .	98,395	24,399	24,399	-
Fringe benefits . . . . .	86,393	43,436	43,436	-
Purchased services . . . . .	1,324,997	1,506,941	1,402,744	104,197
Total other . . . . .	<u>1,509,785</u>	<u>1,574,776</u>	<u>1,470,579</u>	<u>104,197</u>
Total instruction . . . . .	<u>30,856,149</u>	<u>30,829,645</u>	<u>30,420,627</u>	<u>409,018</u>
Support Services:				
Pupil:				
Salaries and wages . . . . .	2,161,045	2,102,803	2,102,803	-
Fringe benefits . . . . .	732,292	728,468	725,392	3,076
Purchased services . . . . .	1,090,423	1,158,161	1,021,638	136,523
Supplies . . . . .	12,244	22,792	17,948	4,844
Other . . . . .	25,300	22,954	22,954	-
Total pupil . . . . .	<u>4,021,304</u>	<u>4,035,178</u>	<u>3,890,735</u>	<u>144,443</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, 2018

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Instructional staff:				
Salaries and wages . . . . .	866,266	915,417	915,417	-
Fringe benefits . . . . .	369,147	407,640	404,691	2,949
Purchased services . . . . .	128,650	144,440	137,306	7,134
Supplies . . . . .	173,759	121,865	115,317	6,548
Capital outlay . . . . .	295,000	268,210	268,210	-
Other . . . . .	10,550	2,334	2,184	150
Total instructional staff . . . . .	<u>1,843,372</u>	<u>1,859,906</u>	<u>1,843,125</u>	<u>16,781</u>
Board of Education:				
Salaries and wages . . . . .	18,559	12,125	12,125	-
Fringe benefits . . . . .	4,169	2,690	2,690	-
Purchased services . . . . .	15,900	7,560	7,560	-
Supplies . . . . .	2,200	2,635	2,635	-
Other . . . . .	10,600	9,280	9,280	-
Total board of education . . . . .	<u>51,428</u>	<u>34,290</u>	<u>34,290</u>	<u>-</u>
Administration:				
Salaries and wages . . . . .	1,795,782	1,688,866	1,688,866	-
Fringe benefits . . . . .	897,769	882,224	877,259	4,965
Purchased services . . . . .	418,079	338,871	293,065	45,806
Supplies . . . . .	27,247	25,521	21,689	3,832
Capital outlay . . . . .	200	-	-	-
Other . . . . .	120,955	143,004	142,849	155
Total administration. . . . .	<u>3,260,032</u>	<u>3,078,486</u>	<u>3,023,728</u>	<u>54,758</u>
Fiscal:				
Salaries and wages . . . . .	372,889	383,753	383,753	-
Fringe benefits . . . . .	183,208	171,604	171,604	-
Purchased services . . . . .	22,420	24,993	23,373	1,620
Supplies . . . . .	80,547	147,043	78,596	68,447
Capital outlay . . . . .	41,416	80,454	40,238	40,216
Other . . . . .	622,260	563,798	563,106	692
Total fiscal . . . . .	<u>1,322,740</u>	<u>1,371,645</u>	<u>1,260,670</u>	<u>110,975</u>
Business:				
Salaries and wages . . . . .	245,805	299,253	299,253	-
Fringe benefits . . . . .	116,930	135,525	135,525	-
Purchased services . . . . .	118,804	151,459	141,255	10,204
Supplies . . . . .	2,700	1,890	1,890	-
Other . . . . .	2,500	1,340	1,340	-
Total business. . . . .	<u>486,739</u>	<u>589,467</u>	<u>579,263</u>	<u>10,204</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, 2018

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Operations and maintenance:				
Salaries and wages . . . . .	2,099,731	2,073,671	2,073,671	-
Fringe benefits . . . . .	906,924	903,237	903,237	-
Purchased services . . . . .	1,891,697	1,929,700	1,759,668	170,032
Supplies . . . . .	413,730	486,078	438,748	47,330
Capital outlay . . . . .	65,800	31,706	31,706	-
Total operations and maintenance . . . . .	5,377,882	5,424,392	5,207,030	217,362
Pupil transportation:				
Salaries and wages . . . . .	2,043,982	1,968,318	1,968,318	-
Fringe benefits . . . . .	1,024,515	924,692	924,692	-
Purchased services . . . . .	251,040	328,306	302,466	25,840
Supplies . . . . .	367,630	440,422	402,792	37,630
Other . . . . .	100	-	-	-
Total pupil transportation . . . . .	3,687,267	3,661,738	3,598,268	63,470
Central:				
Salaries and wages . . . . .	290,815	261,969	261,969	-
Fringe benefits . . . . .	122,426	96,767	96,767	-
Purchased services. . . . .	22,895	46,345	44,950	1,395
Supplies . . . . .	3,800	2,558	2,065	493
Capital outlay . . . . .	45,000	45,000	-	45,000
Other . . . . .	400	447	447	-
Total central. . . . .	485,336	453,086	406,198	46,888
Total support services . . . . .	20,536,100	20,508,188	19,843,307	664,881
Operation of non-instructional services:				
Academic and subject oriented activities:				
Purchased services. . . . .	32,991	39,391	25,600	13,791
Total operation of non-instructional services . . . . .	32,991	39,391	25,600	13,791
Extracurricular activities:				
Academic and subject oriented activities:				
Salaries and wages . . . . .	135,076	136,674	140,577	(3,903)
Fringe benefits . . . . .	20,185	28,781	18,743	10,038
Total academic and subject oriented activities . . . . .	155,261	165,455	159,320	6,135
Sports oriented activities:				
Salaries and wages . . . . .	603,448	613,372	627,911	(14,539)
Fringe benefits . . . . .	146,691	158,353	149,949	8,404
Total sports oriented activities . . . . .	750,139	771,725	777,860	(6,135)
Total extracurricular activities . . . . .	905,400	937,180	937,180	-

(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, 2018

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Facilities acquisition and construction:				
Site improvement services				
Purchased services . . . . .	72,210	37,620	7,352	30,268
Architecture and engineering services:				
Purchased services . . . . .	7,800	6,315	791	5,524
Building acquisition and construction services:				
Purchased services . . . . .	-	-	52,048	(52,048)
Other . . . . .	2,500	1,200	-	1,200
Building improvement services:				
Purchased services . . . . .	8,100	-	823	(823)
Capital outlay-replacement . . . . .	77,626	77,245	3,933	73,312
Total facilities acquisition and construction . .	168,236	122,380	64,947	57,433
Total expenditures . . . . .	52,498,876	52,436,784	51,291,661	1,145,123
Excess of revenues over (under) expenditures . . . . .	(3,175,206)	(4,917,612)	1,115,450	6,033,062
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	308,597	297,308	327,890	30,582
Refund of prior year's receipts . . . . .	(3,800)	(1,141)	(1,141)	-
Transfers (out). . . . .	(10,000)	(24,242)	(24,242)	-
Advances in. . . . .	372,238	358,619	395,508	36,889
Advances (out). . . . .	(25,000)	(305,711)	(305,711)	-
Other uses. . . . .	-	(74,406)	-	74,406
Sale of capital assets . . . . .	20,114	19,378	21,371	1,993
Total other financing sources (uses) . . . . .	662,149	269,805	413,675	143,870
Net change in fund balance . . . . .	(2,513,057)	(4,647,807)	1,529,125	6,176,932
<b>Fund balance at beginning of year . . . . .</b>	21,781,082	21,781,082	21,781,082	-
<b>Prior year encumbrances appropriated . .</b>	1,142,284	1,142,284	1,142,284	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 20,410,309</u>	<u>\$ 18,275,559</u>	<u>\$ 24,452,491</u>	<u>\$ 6,176,932</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ 5,925,641	\$ 6,629,255	\$ 703,614
Intergovernmental - State . . . . .	471,999	528,044	56,045
Intergovernmental-federal . . . . .	722,602	808,404	85,802
Total revenues. . . . .	<u>7,120,242</u>	<u>7,965,703</u>	<u>845,461</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Administration:			
Other. . . . .	23,692	16,485	7,207
Total administration . . . . .	<u>23,692</u>	<u>16,485</u>	<u>7,207</u>
Fiscal:			
Other. . . . .	106,215	73,906	32,309
Total fiscal . . . . .	<u>106,215</u>	<u>73,906</u>	<u>32,309</u>
Debt service:			
Principal retirement . . . . .	3,355,803	2,335,000	1,020,803
Interest and fiscal charges . . . . .	6,516,456	4,534,212	1,982,244
Total debt service. . . . .	<u>9,872,259</u>	<u>6,869,212</u>	<u>3,003,047</u>
Total expenditures . . . . .	<u>10,002,166</u>	<u>6,959,603</u>	<u>3,042,563</u>
Net change in fund balance . . . . .	(2,881,924)	1,006,100	3,888,024
<b>Fund balance at beginning of year . . . . .</b>	<u>6,299,807</u>	<u>6,299,807</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 3,417,883</u></u>	<u><u>\$ 7,305,907</u></u>	<u><u>\$ 3,888,024</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)  
BUILDING FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Earnings on investments . . . . .	\$ -	\$ 433,321	\$ 433,321
Total revenues. . . . .	<u>-</u>	<u>433,321</u>	<u>433,321</u>
<b>Expenditures:</b>			
Facilities acquisition and construction:			
Architecture and engineering services:			
Purchased services . . . . .	8,994,895	1,806,707	7,188,188
Building acquisition and construction services:			
Purchased services . . . . .	1,684,964	401,191	1,283,773
Capital outlay . . . . .	21,439,267	5,271,699	16,167,568
Other facilities acquisition and construction services:			
Purchased services . . . . .	513,960	126,911	387,049
Supplies . . . . .	251,717	62,156	189,561
Capital outlay . . . . .	1,214,120	299,800	914,320
Other . . . . .	<u>129,592</u>	<u>32,000</u>	<u>97,592</u>
Total facilities acquisition and construction .	<u>34,228,515</u>	<u>8,000,464</u>	<u>26,228,051</u>
Total expenditures . . . . .	<u>34,228,515</u>	<u>8,000,464</u>	<u>26,228,051</u>
Excess of revenues (under) expenditures . . . . .	<u>(34,228,515)</u>	<u>(7,567,143)</u>	<u>26,661,372</u>
<b>Other financing sources:</b>			
Refund of prior year's expenditures . . . . .	-	1,900	1,900
Total other financing sources . . . . .	<u>-</u>	<u>1,900</u>	<u>1,900</u>
Net change in fund balance . . . . .	(34,228,515)	(7,565,243)	26,663,272
<b>Fund balance at beginning of year . . . . .</b>	32,405,261	32,405,261	-
<b>Prior year encumbrances appropriated . .</b>	1,828,515	1,828,515	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,261</u>	<u>\$ 26,668,533</u>	<u>\$ 26,663,272</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.

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.

***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.

***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, 2018

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and investments . . . . .	\$ 1,154,033	\$ 1,214,887	\$ 2,368,920
Receivables:			
Taxes . . . . .	-	1,145,169	1,145,169
Accounts . . . . .	2,034	-	2,034
Intergovernmental . . . . .	271,066	-	271,066
Materials and supplies inventory. . . . .	5,484	-	5,484
Inventory held for resale . . . . .	6,983	-	6,983
Total assets . . . . .	<u>\$ 1,439,600</u>	<u>\$ 2,360,056</u>	<u>\$ 3,799,656</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 259,664	\$ -	\$ 259,664
Accrued wages and benefits . . . . .	101,115	-	101,115
Intergovernmental payable . . . . .	24,977	-	24,977
Pension and postemployment benefits payable . .	27,055	-	27,055
Interfund loans payable. . . . .	229,486	-	229,486
Total liabilities. . . . .	<u>642,297</u>	<u>-</u>	<u>642,297</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . .	-	961,278	961,278
Delinquent property tax revenue not available . .	-	32,893	32,893
Intergovernmental revenue not available . . . . .	62,372	-	62,372
Miscellaneous revenue not available . . . . .	51	-	51
Total deferred inflows of resources . . . . .	<u>62,423</u>	<u>994,171</u>	<u>1,056,594</u>
<b>Fund Balances:</b>			
Nonspendable:			
Materials and supplies inventory. . . . .	5,484	-	5,484
Restricted:			
Capital improvements . . . . .	-	1,365,885	1,365,885
Food service operations . . . . .	353,117	-	353,117
Non-public schools . . . . .	80,454	-	80,454
Targeted academic assistance . . . . .	10,699	-	10,699
Extracurricular . . . . .	196,516	-	196,516
Other purposes. . . . .	234,132	-	234,132
Unassigned (deficit). . . . .	(145,522)	-	(145,522)
Total fund balances . . . . .	<u>734,880</u>	<u>1,365,885</u>	<u>2,100,765</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 1,439,600</u>	<u>\$ 2,360,056</u>	<u>\$ 3,799,656</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, 2018

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ -	\$ 1,166,278	\$ 1,166,278
Earnings on investments . . . . .	36	45	81
Charges for services . . . . .	833,121	-	833,121
Extracurricular . . . . .	108,937	-	108,937
Contributions and donations . . . . .	206,443	-	206,443
Other local revenues . . . . .	5,238	99,937	105,175
Intergovernmental - state . . . . .	680,237	16,110	696,347
Intergovernmental - federal . . . . .	1,734,411	-	1,734,411
	<hr/>	<hr/>	<hr/>
Total revenue . . . . .	3,568,423	1,282,370	4,850,793
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	45,231	-	45,231
Special . . . . .	928,529	-	928,529
Adult/continuing . . . . .	4,150	-	4,150
Other . . . . .	344,951	-	344,951
Support services:			
Pupil . . . . .	43,974	-	43,974
Instructional staff . . . . .	84,936	-	84,936
Administration . . . . .	490	2,927	3,417
Fiscal . . . . .	-	12,945	12,945
Pupil transportation . . . . .	-	43,741	43,741
Operation of non-instructional services:			
Food service operations . . . . .	1,212,683	-	1,212,683
Other non-instructional services . . . . .	693,978	-	693,978
Extracurricular activities . . . . .	278,095	17,810	295,905
Facilities acquisition and construction . . . . .	53,396	230,338	283,734
Capital outlay . . . . .	-	814,000	814,000
Debt service:			
Principal retirement . . . . .	-	144,000	144,000
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	3,690,413	1,265,761	4,956,174
	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures . . . . .	(121,990)	16,609	(105,381)
	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>			
Transfers in . . . . .	24,242	-	24,242
Capital lease transaction . . . . .	-	814,000	814,000
	<hr/>	<hr/>	<hr/>
Total other financing sources . . . . .	24,242	814,000	838,242
	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	(97,748)	830,609	732,861
	<hr/>	<hr/>	<hr/>
<b>Fund balances at beginning of year . . . . .</b>	832,628	535,276	1,367,904
	<hr/>	<hr/>	<hr/>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 734,880</u>	<u>\$ 1,365,885</u>	<u>\$ 2,100,765</u>



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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2018

	<u>Food Service</u>	<u>Local Grants</u>	<u>Professional Development Grant</u>	<u>Athletic and Music</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 417,358	\$ 2,927	\$ 217,018	\$ 202,693
Receivables:				-
Accounts. . . . .	114	-	-	1,920
Intergovernmental . . . . .	36,504	-	-	-
Materials and supplies inventory . . . . .	5,484	-	-	-
Inventory held for resale . . . . .	6,983	-	-	-
Total assets. . . . .	<u>\$ 466,443</u>	<u>\$ 2,927</u>	<u>\$ 217,018</u>	<u>\$ 204,613</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 4,923	\$ -	\$ -	\$ 7,356
Accrued wages and benefits . . . . .	82,109	-	-	532
Intergovernmental payable . . . . .	725	-	-	8
Pension and postemployment benefits payable . .	20,085	-	-	150
Interfund loans payable. . . . .	-	-	-	-
Total liabilities. . . . .	<u>107,842</u>	<u>-</u>	<u>-</u>	<u>8,046</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available. . . . .	-	-	-	-
Miscellaneous revenue not available. . . . .	-	-	-	51
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>51</u>
<b>Fund Balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	5,484	-	-	-
Restricted:				
Food service operations . . . . .	353,117	-	-	-
Non-public schools . . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	196,516
Other purposes. . . . .	-	2,927	217,018	-
Unassigned (deficit). . . . .	-	-	-	-
Total fund balances . . . . .	<u>358,601</u>	<u>2,927</u>	<u>217,018</u>	<u>196,516</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 466,443</u>	<u>\$ 2,927</u>	<u>\$ 217,018</u>	<u>\$ 204,613</u>

<b>Auxiliary Services</b>	<b>Data Communications Support</b>	<b>IDEA, Part B Special Education</b>	<b>Limited English Proficiency</b>	<b>Title I</b>	<b>Early Childhood Education Development</b>
\$ 183,122	\$ 12,600	\$ 114,514	\$ 1,032	\$ 1,300	\$ 280
-	-	-	-	-	-
-	-	72,901	23,654	133,564	2,947
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 183,122</u>	<u>\$ 12,600</u>	<u>\$ 187,415</u>	<u>\$ 24,686</u>	<u>\$ 134,864</u>	<u>\$ 3,227</u>
\$ 89,562	\$ -	\$ 155,437	\$ 998	\$ -	\$ 230
11,114	-	7,360	-	-	-
119	-	24,125	-	-	-
1,873	-	1,429	508	3,010	-
-	-	137,677	21,593	66,193	2,496
<u>102,668</u>	<u>-</u>	<u>326,028</u>	<u>23,099</u>	<u>69,203</u>	<u>2,726</u>
-	-	5,184	-	54,962	730
-	-	-	-	-	-
-	-	5,184	-	54,962	730
-	-	-	-	-	-
-	-	-	-	-	-
80,454	-	-	-	-	-
-	-	-	-	10,699	-
-	-	-	-	-	-
-	12,600	-	1,587	-	-
-	-	(143,797)	-	-	(229)
<u>80,454</u>	<u>12,600</u>	<u>(143,797)</u>	<u>1,587</u>	<u>10,699</u>	<u>(229)</u>
<u>\$ 183,122</u>	<u>\$ 12,600</u>	<u>\$ 187,415</u>	<u>\$ 24,686</u>	<u>\$ 134,864</u>	<u>\$ 3,227</u>

(Continued)

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2018

	<b>Improving Teacher Quality</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 1,189	\$ 1,154,033
Receivables:		
Accounts. . . . .	-	2,034
Intergovernmental . . . . .	1,496	271,066
Materials and supplies inventory . . . . .	-	5,484
Inventory held for resale . . . . .	-	6,983
	<hr/>	<hr/>
Total assets. . . . .	<u>\$ 2,685</u>	<u>\$ 1,439,600</u>
<b>Liabilities:</b>		
Accounts payable. . . . .	\$ 1,158	\$ 259,664
Accrued wages and benefits . . . . .	-	101,115
Intergovernmental payable . . . . .	-	24,977
Pension and postemployment benefits payable . .	-	27,055
Interfund loans payable . . . . .	1,527	229,486
	<hr/>	<hr/>
Total liabilities. . . . .	<u>2,685</u>	<u>642,297</u>
<b>Deferred inflows of resources:</b>		
Intergovernmental revenue not available. . . . .	1,496	62,372
Miscellaneous revenue not available. . . . .	-	51
	<hr/>	<hr/>
Total deferred inflows of resources . . . . .	<u>1,496</u>	<u>62,423</u>
<b>Fund Balances:</b>		
Nonspendable:		
Materials and supplies inventory. . . . .	-	5,484
Restricted:		
Food service operations . . . . .	-	353,117
Non-public schools . . . . .	-	80,454
Targeted academic assistance . . . . .	-	10,699
Extracurricular . . . . .	-	196,516
Other purposes. . . . .	-	234,132
Unassigned (deficit). . . . .	(1,496)	(145,522)
	<hr/>	<hr/>
Total fund balances . . . . .	<u>(1,496)</u>	<u>734,880</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,685</u>	<u>\$ 1,439,600</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, 2018

	<b>Food Service</b>	<b>Local Grants</b>	<b>Professional Development Grant</b>	<b>Athletic and Music</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 23	\$ -	\$ -	\$ -
Charges for services . . . . .	833,121	-	-	-
Extracurricular . . . . .	-	-	-	108,937
Contributions and donations . . . . .	-	-	42,155	164,288
Other local revenues . . . . .	484	-	4,123	631
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	407,596	-	-	-
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Total revenue. . . . .	1,241,224	-	46,278	273,856
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	-	-	-
Special . . . . .	-	-	-	-
Adult/continuing . . . . .	-	-	4,150	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff. . . . .	-	-	-	-
Administration . . . . .	-	-	-	-
Operation of non-instructional services:				
Food service operations . . . . .	1,212,683	-	-	-
Other non-instructional services . . . . .	-	-	428	-
Extracurricular activities. . . . .	-	-	-	278,095
Facilities acquisition and construction . . . . .	-	-	53,396	-
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Total expenditures . . . . .	1,212,683	-	57,974	278,095
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Excess of revenues over (under) expenditures. . . . .	28,541	-	(11,696)	(4,239)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>				
Transfers in. . . . .	-	-	14,242	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources. . . . .	-	-	14,242	10,000
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	28,541	-	2,546	5,761
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	330,060	2,927	214,472	190,755
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficit) at end of year . . .</b>	\$ 358,601	\$ 2,927	\$ 217,018	\$ 196,516
	<hr/>	<hr/>	<hr/>	<hr/>

<b>Auxiliary Services</b>	<b>Data Communications Support</b>	<b>College Credit Plus Teacher Credential Grant</b>	<b>IDEA, Part B Special Education</b>	<b>Limited English Proficiency</b>	<b>Title I</b>
\$ 13	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
664,539	12,600	3,098	-	-	-
-	-	-	807,509	30,633	376,047
664,552	12,600	3,098	807,509	30,633	376,047
-	-	-	-	-	-
-	-	-	904,746	18,871	-
-	-	-	-	-	-
-	-	-	-	-	344,951
-	-	-	40,873	3,090	-
-	-	-	22,304	7,134	3,441
-	-	-	-	-	490
-	-	-	-	-	-
669,368	-	-	9,859	-	2,159
-	-	-	-	-	-
-	-	-	-	-	-
669,368	-	-	977,782	29,095	351,041
(4,816)	12,600	3,098	(170,273)	1,538	25,006
-	-	-	-	-	-
-	-	-	-	-	-
(4,816)	12,600	3,098	(170,273)	1,538	25,006
85,270	-	(3,098)	26,476	49	(14,307)
<u>\$ 80,454</u>	<u>\$ 12,600</u>	<u>\$ -</u>	<u>\$ (143,797)</u>	<u>\$ 1,587</u>	<u>\$ 10,699</u>

(Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<b>Early Childhood Education Development</b>	<b>Improving Teacher Quality</b>	<b>Miscellaneous Federal Grants</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ 36
Charges for services . . . . .	-	-	-	833,121
Extracurricular . . . . .	-	-	-	108,937
Contributions and donations . . . . .	-	-	-	206,443
Other local revenues . . . . .	-	-	-	5,238
Intergovernmental - state . . . . .	-	-	-	680,237
Intergovernmental - federal . . . . .	10,430	98,792	3,404	1,734,411
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Total revenue. . . . .	10,430	98,792	3,404	3,568,423
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	45,231	-	45,231
Special . . . . .	4,912	-	-	928,529
Adult/continuing . . . . .	-	-	-	4,150
Other . . . . .	-	-	-	344,951
Support services:				
Pupil . . . . .	11	-	-	43,974
Instructional staff. . . . .	5,762	43,641	2,654	84,936
Administration . . . . .	-	-	-	490
Operation of non-instructional services:				
Food service operations . . . . .	-	-	-	1,212,683
Other non-instructional services . . . . .	-	11,414	750	693,978
Extracurricular activities. . . . .	-	-	-	278,095
Facilities acquisition and construction . . . . .	-	-	-	53,396
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Total expenditures . . . . .	10,685	100,286	3,404	3,690,413
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures. . . . .	(255)	(1,494)	-	(121,990)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other financing sources:</b>				
Transfers in. . . . .	-	-	-	24,242
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources. . . . .	-	-	-	24,242
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	(255)	(1,494)	-	(97,748)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	26	(2)	-	832,628
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficit) at end of year . . .</b>	\$ (229)	\$ (1,496)	\$ -	\$ 734,880
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**WESTLAKE CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Charges for services . . . . .	\$ 811,698	\$ 833,122	\$ 21,424
Earnings on investments . . . . .	22	23	1
Other local revenues . . . . .	424	435	11
Intergovernmental - federal . . . . .	287,849	295,446	7,597
Total revenues. . . . .	<u>1,099,993</u>	<u>1,129,026</u>	<u>29,033</u>
<b>Expenditures:</b>			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages . . . . .	547,685	454,519	93,166
Fringe benefits . . . . .	277,241	230,081	47,160
Purchased services . . . . .	2,914	2,418	496
Supplies . . . . .	610,106	474,832	135,274
Total food service operations . . . . .	<u>1,437,946</u>	<u>1,161,850</u>	<u>276,096</u>
Total expenditures . . . . .	<u>1,437,946</u>	<u>1,161,850</u>	<u>276,096</u>
Excess of revenues (under) expenditures . . . . .	<u>(337,953)</u>	<u>(32,824)</u>	<u>305,129</u>
<b>Other financing sources:</b>			
Refund of prior year's expenditures . . . . .	<u>7</u>	<u>7</u>	<u>-</u>
Total other financing sources . . . . .	<u>7</u>	<u>7</u>	<u>-</u>
Net change in fund balance. . . . .	(337,946)	(32,817)	305,129
<b>Fund balance at beginning of year . . . . .</b>	366,111	366,111	-
<b>Prior year encumbrances appropriated . . . . .</b>	37,946	37,946	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 66,111</u>	<u>\$ 371,240</u>	<u>\$ 305,129</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Fund balance at beginning of year . . . . .</b>	\$ 2,927	\$ 2,927	\$ -
<b>Fund balance at end of year. . . . .</b>	<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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Contributions and donations . . . . .	\$ 236,773	\$ 42,155	\$ (194,618)
Other local revenues . . . . .	23,158	4,123	(19,035)
Total revenues . . . . .	<u>259,931</u>	<u>46,278</u>	<u>(213,653)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Adult/continuing:			
Salaries and wages. . . . .	25,900	3,200	22,700
Fringe benefits. . . . .	6,969	861	6,108
Supplies . . . . .	809	100	709
Total adult/continuing . . . . .	<u>33,678</u>	<u>4,161</u>	<u>29,517</u>
Operation of non-instructional services:			
Personal services . . . . .	3,467	428	3,039
Total operation of non-instructional services . . . . .	<u>3,467</u>	<u>428</u>	<u>3,039</u>
Facilities acquisition and construction:			
Site improvement services:			
Supplies . . . . .	432,180	53,396	378,784
Total facilities acquisition and construction . . . . .	<u>432,180</u>	<u>53,396</u>	<u>378,784</u>
Total expenditures . . . . .	<u>469,325</u>	<u>57,985</u>	<u>411,340</u>
Excess of revenues (under) expenditures . . . . .	<u>(209,394)</u>	<u>(11,707)</u>	<u>197,687</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	79,993	14,242	(65,751)
Advances in . . . . .	160,076	28,500	(131,576)
Advances (out) . . . . .	(230,675)	(28,500)	202,175
Total other financing sources (uses) . . . . .	<u>9,394</u>	<u>14,242</u>	<u>4,848</u>
Net change in fund balance . . . . .	(200,000)	2,535	202,535
<b>Fund balance at beginning of year . . . . .</b>	<u>214,472</u>	<u>214,472</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 14,472</u></u>	<u><u>\$ 217,007</u></u>	<u><u>\$ 202,535</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)  
ATHLETIC AND MUSIC FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Extracurricular . . . . .	\$ 113,896	\$ 107,139	\$ (6,757)
Contributions and donations . . . . .	174,648	164,288	(10,360)
Other local revenues . . . . .	825	776	(49)
Total revenues. . . . .	<u>289,369</u>	<u>272,203</u>	<u>(17,166)</u>
<b>Expenditures:</b>			
Extracurricular activities:			
Sports oriented activities:			
Salaries and wages . . . . .	37,693	23,577	14,116
Fringe benefits . . . . .	6,477	4,051	2,426
Purchased services . . . . .	123,339	76,792	46,547
Supplies . . . . .	150,406	92,278	58,128
Capital outlay . . . . .	16,247	10,162	6,085
Other . . . . .	156,254	90,253	66,001
Total extracurricular activities. . . . .	<u>490,416</u>	<u>297,113</u>	<u>193,303</u>
Total expenditures . . . . .	<u>490,416</u>	<u>297,113</u>	<u>193,303</u>
Excess of revenues (under) expenditures . . . . .	<u>(201,047)</u>	<u>(24,910)</u>	<u>176,137</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	10,631	10,000	(631)
Total other financing sources . . . . .	<u>10,631</u>	<u>10,000</u>	<u>(631)</u>
Net change in fund balance . . . . .	(190,416)	(14,910)	175,506
<b>Fund balance at beginning of year . . . . .</b>	183,021	183,021	-
<b>Prior year encumbrances appropriated . .</b>	15,416	15,416	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 8,021</u>	<u>\$ 183,527</u>	<u>\$ 175,506</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Earnings on investments . . . . .	\$ 25,431	\$ 13	\$ (25,418)
Intergovernmental - state . . . . .	687,456	664,539	(22,917)
Total revenues. . . . .	<u>712,887</u>	<u>664,552</u>	<u>(48,335)</u>
<b>Expenditures:</b>			
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages . . . . .	78,084	76,265	1,819
Fringe benefits . . . . .	32,644	31,883	761
Purchased services . . . . .	285,251	277,606	7,645
Supplies . . . . .	341,320	240,386	100,934
Capital outlay . . . . .	130,178	69,338	60,840
Total other non-instructional services . . . . .	<u>867,477</u>	<u>695,478</u>	<u>171,999</u>
Total expenditures . . . . .	<u>867,477</u>	<u>695,478</u>	<u>171,999</u>
Excess of revenues (under) expenditures . . . . .	<u>(154,590)</u>	<u>(30,926)</u>	<u>123,664</u>
<b>Other financing (uses):</b>			
Refund of prior year's receipts . . . . .	(17,935)	(17,517)	418
Total other financing (uses) . . . . .	<u>(17,935)</u>	<u>(17,517)</u>	<u>418</u>
Net change in fund balance . . . . .	(172,525)	(48,443)	124,082
<b>Fund balance at beginning of year . . . . .</b>	20,152	20,152	-
<b>Prior year encumbrances appropriated . . . . .</b>	155,412	155,412	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 3,039</u>	<u>\$ 127,121</u>	<u>\$ 124,082</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental - state . . . . .	\$ -	\$ 12,600	\$ 12,600
Total revenues. . . . .	<u>-</u>	<u>12,600</u>	<u>12,600</u>
Net change in fund balance . . . . .	-	12,600	12,600
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ -</u></u>	<u><u>\$ 12,600</u></u>	<u><u>\$ 12,600</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental - state . . . . .	\$ 4,000	\$ 3,098	\$ (902)
Total revenues. . . . .	<u>4,000</u>	<u>3,098</u>	<u>(902)</u>
<b>Expenditures:</b>			
Excess of revenues over expenditures . . . . .	<u>4,000</u>	<u>3,098</u>	<u>(902)</u>
<b>Other financing (uses):</b>			
Advances (out) . . . . .	<u>(3,098)</u>	<u>(3,098)</u>	<u>-</u>
Total other financing (uses) . . . . .	<u>(3,098)</u>	<u>(3,098)</u>	<u>-</u>
Net change in fund balance . . . . .	902	-	(902)
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 902</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (902)</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental - federal . . . . .	\$ 1,071,690	\$ 834,957	\$ (236,733)
Total revenues . . . . .	<u>1,071,690</u>	<u>834,957</u>	<u>(236,733)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Salaries and wages . . . . .	51,713	48,587	3,126
Fringe benefits . . . . .	33,527	31,500	2,027
Purchased services . . . . .	862,138	706,865	155,273
Supplies . . . . .	20,535	18,993	1,542
Capital outlay . . . . .	14,596	12,125	2,471
Total special . . . . .	<u>982,509</u>	<u>818,070</u>	<u>164,439</u>
Support services:			
Pupil:			
Purchased services . . . . .	165,790	73,263	92,527
Total pupil . . . . .	<u>165,790</u>	<u>73,263</u>	<u>92,527</u>
Instructional staff:			
Purchased services . . . . .	29,225	24,313	4,912
Total instructional staff . . . . .	<u>29,225</u>	<u>24,313</u>	<u>4,912</u>
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages . . . . .	10,494	9,859	635
Total other non-instructional services . . . .	<u>10,494</u>	<u>9,859</u>	<u>635</u>
Total expenditures . . . . .	<u>1,188,018</u>	<u>925,505</u>	<u>262,513</u>
Excess of revenues (under) expenditures . . . . .	<u>(116,328)</u>	<u>(90,548)</u>	<u>25,780</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	12,747	9,931	(2,816)
Transfers (out). . . . .	(10,570)	(9,931)	639
Advances in . . . . .	180,563	140,677	(39,886)
Advances (out) . . . . .	(269,382)	(253,099)	16,283
Total other financing sources (uses). . . . .	<u>(86,642)</u>	<u>(112,422)</u>	<u>(25,780)</u>
Net change in fund balance. . . . .	(202,970)	(202,970)	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-
<b>Prior year encumbrances appropriated . .</b>	202,970	202,970	-
<b>Fund balance at end of year. . . . .</b>	<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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental - federal . . . . .	\$ 27,010	\$ 14,089	\$ (12,921)
Total revenues . . . . .	<u>27,010</u>	<u>14,089</u>	<u>(12,921)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Salaries and wages . . . . .	32,065	17,000	15,065
Fringe benefits . . . . .	4,773	2,531	2,242
Supplies . . . . .	4,399	2,170	2,229
Total special . . . . .	<u>41,237</u>	<u>21,701</u>	<u>19,536</u>
Support Services:			
Pupil:			
Purchased services . . . . .	6,273	3,201	3,072
Total pupil . . . . .	<u>6,273</u>	<u>3,201</u>	<u>3,072</u>
Instructional staff:			
Salaries and wages . . . . .	373	198	175
Fringe benefits . . . . .	57	30	27
Purchased services . . . . .	13,075	6,906	6,169
Total instructional staff . . . . .	<u>13,505</u>	<u>7,134</u>	<u>6,371</u>
Total expenditures . . . . .	<u>61,015</u>	<u>32,036</u>	<u>28,979</u>
Excess of revenues (under) expenditures . . . . .	<u>(34,005)</u>	<u>(17,947)</u>	<u>16,058</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	579	302	(277)
Transfers (out). . . . .	(569)	(302)	267
Advances in . . . . .	41,411	21,601	(19,810)
Advances (out) . . . . .	(8,008)	(4,246)	3,762
Total other financing sources (uses) . . . . .	<u>33,413</u>	<u>17,355</u>	<u>(16,058)</u>
Net change in fund balance . . . . .	(592)	(592)	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	592	592	-
<b>Fund balance at end of year . . . . .</b>	<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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental - federal . . . . .	\$ 526,818	\$ 409,184	\$ (117,634)
Total revenues. . . . .	<u>526,818</u>	<u>409,184</u>	<u>(117,634)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Other:			
Salaries and wages . . . . .	397,289	316,743	80,546
Fringe benefits . . . . .	96,079	76,599	19,480
Supplies . . . . .	15,031	9,241	5,790
Capital outlay . . . . .	20,678	9,137	11,541
Total other . . . . .	<u>529,077</u>	<u>411,720</u>	<u>117,357</u>
Support services:			
Instructional staff:			
Purchased services . . . . .	4,656	3,441	1,215
Total instructional staff . . . . .	<u>4,656</u>	<u>3,441</u>	<u>1,215</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services . . . . .	2,708	2,159	549
Total other non-instructional services . . . . .	<u>2,708</u>	<u>2,159</u>	<u>549</u>
Total expenditures . . . . .	<u>536,441</u>	<u>417,320</u>	<u>119,121</u>
Excess of revenues (under) expenditures . . . . .	<u>(9,623)</u>	<u>(8,136)</u>	<u>1,487</u>
<b>Other financing sources (uses):</b>			
Advances in . . . . .	105,682	82,084	(23,598)
Advances (out) . . . . .	(109,056)	(86,945)	22,111
Total other financing sources (uses) . . . . .	<u>(3,374)</u>	<u>(4,861)</u>	<u>(1,487)</u>
Net change in fund balance . . . . .	(12,997)	(12,997)	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	12,997	12,997	-
<b>Fund balance at end of year. . . . .</b>	<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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental - federal. . . . .	\$ 27,749	\$ 12,160	\$ (15,589)
Total revenues. . . . .	<u>27,749</u>	<u>12,160</u>	<u>(15,589)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Special:			
Supplies . . . . .	7,719	3,411	4,308
Capital outlay . . . . .	3,453	1,533	1,920
Total special . . . . .	<u>11,172</u>	<u>4,944</u>	<u>6,228</u>
Support services:			
Pupil:			
Salaries and wages . . . . .	3,399	1,509	1,890
Total pupil . . . . .	<u>3,399</u>	<u>1,509</u>	<u>1,890</u>
Instructional staff:			
Purchased services . . . . .	13,176	5,780	7,396
Total instructional staff. . . . .	<u>13,176</u>	<u>5,780</u>	<u>7,396</u>
Total expenditures . . . . .	<u>27,747</u>	<u>12,233</u>	<u>15,514</u>
Excess of revenues over (under) expenditures . . . . .	<u>2</u>	<u>(73)</u>	<u>(75)</u>
<b>Other financing sources (uses):</b>			
Advances in . . . . .	5,751	2,520	(3,231)
Advances (out). . . . .	(5,947)	(2,641)	3,306
Total other financing sources (uses) . . . . .	<u>(196)</u>	<u>(121)</u>	<u>75</u>
Net change in fund balance . . . . .	(194)	(194)	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-
<b>Prior year encumbrances appropriated . .</b>	194	194	-
<b>Fund balance at end of year. . . . .</b>	<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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental - federal. . . . .	\$ 128,731	\$ 109,051	\$ (19,680)
Total revenues. . . . .	<u>128,731</u>	<u>109,051</u>	<u>(19,680)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Salaries and wages . . . . .	49,167	45,147	4,020
Fringe benefits . . . . .	7,352	6,751	601
Total regular . . . . .	<u>56,519</u>	<u>51,898</u>	<u>4,621</u>
Support services:			
Instructional staff:			
Salaries and wages . . . . .	1,990	1,827	163
Fringe benefits . . . . .	250	230	20
Purchased services . . . . .	54,886	41,584	13,302
Total instructional staff . . . . .	<u>57,126</u>	<u>43,641</u>	<u>13,485</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services . . . . .	12,464	11,445	1,019
Total other non-instructional services . . . . .	<u>12,464</u>	<u>11,445</u>	<u>1,019</u>
Total expenditures . . . . .	<u>126,109</u>	<u>106,984</u>	<u>19,125</u>
Excess of revenues over expenditures . . . . .	<u>2,622</u>	<u>2,067</u>	<u>(555)</u>
<b>Other financing sources (uses):</b>			
Advances in . . . . .	5,639	4,777	(862)
Advances (out) . . . . .	(18,491)	(16,978)	1,513
Refund of prior year's expenditures . . . . .	630	534	(96)
Total other financing sources (uses). . . . .	<u>(12,222)</u>	<u>(11,667)</u>	<u>555</u>
Net change in fund balance . . . . .	(9,600)	(9,600)	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-
<b>Prior year encumbrances appropriated . . . . .</b>	9,600	9,600	-
<b>Fund balance at end of year. . . . .</b>	<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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental - federal . . . . .	\$ 11,000	\$ 3,404	\$ (7,596)
Total revenues. . . . .	<u>11,000</u>	<u>3,404</u>	<u>(7,596)</u>
<b>Expenditures:</b>			
Current:			
Instructional:			
Purchased services . . . . .	8,576	2,654	5,922
Total instructional . . . . .	<u>8,576</u>	<u>2,654</u>	<u>5,922</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services . . . . .	2,424	750	1,674
Total other non-instructional services . . .	<u>2,424</u>	<u>750</u>	<u>1,674</u>
Total expenditures . . . . .	<u>11,000</u>	<u>3,404</u>	<u>7,596</u>
Net change in fund balance . . . . .	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<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)  
UNIFORM SCHOOL SUPPLIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Classroom materials and fees . . . . .	\$ 24,556	\$ 23,062	\$ (1,494)
Total revenues. . . . .	<u>24,556</u>	<u>23,062</u>	<u>(1,494)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Supplies . . . . .	38,000	23,762	14,238
Total regular . . . . .	<u>38,000</u>	<u>23,762</u>	<u>14,238</u>
Total expenditures . . . . .	<u>38,000</u>	<u>23,762</u>	<u>14,238</u>
Excess of revenues (under) expenditures . . . . .	<u>(13,444)</u>	<u>(700)</u>	<u>12,744</u>
<b>Other financing sources:</b>			
Advances in . . . . .	444	417	(27)
Total other financing sources . . . . .	<u>444</u>	<u>417</u>	<u>(27)</u>
Net change in fund balance . . . . .	(13,000)	(283)	12,717
<b>Fund balance at beginning of year . . . . .</b>	13,107	13,107	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 107</u>	<u>\$ 12,824</u>	<u>\$ 12,717</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Tuition . . . . .	\$ 10,092	\$ 10,000	\$ (92)
Total revenues . . . . .	<u>10,092</u>	<u>10,000</u>	<u>(92)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Other:			
Salaries and wages . . . . .	3,519	3,519	-
Fringe benefits . . . . .	559	559	-
Total other . . . . .	<u>4,078</u>	<u>4,078</u>	<u>-</u>
Total expenditures . . . . .	<u>4,078</u>	<u>4,078</u>	<u>-</u>
Excess of revenues over expenditures . . . . .	<u>6,014</u>	<u>5,922</u>	<u>(92)</u>
<b>Other financing (uses):</b>			
Refund of prior year's receipts . . . . .	(35,000)	(35,000)	-
Total other financing (uses) . . . . .	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Net change in fund balance . . . . .	(28,986)	(29,078)	(92)
<b>Fund balance at beginning of year . . . . .</b>	42,991	42,991	-
<b>Fund balance at end of year . . . . .</b>	<u><u>\$ 14,005</u></u>	<u><u>\$ 13,913</u></u>	<u><u>\$ (92)</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Tuition . . . . .	\$ 563,614	\$ 558,490	\$ (5,124)
Classroom materials and fees . . . . .	8,859	8,778	(81)
Rental income . . . . .	1,009	1,000	(9)
Other local revenues . . . . .	66,061	65,460	(601)
Total revenues. . . . .	<u>639,543</u>	<u>633,728</u>	<u>(5,815)</u>
<b>Expenditures:</b>			
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages . . . . .	468,477	468,348	129
Fringe benefits . . . . .	135,602	135,565	37
Purchased services . . . . .	19,127	14,383	4,744
Supplies . . . . .	75,729	67,327	8,402
Capital outlay . . . . .	641	641	-
Total other non-instructional services . . . . .	<u>699,576</u>	<u>686,264</u>	<u>13,312</u>
Total expenditures . . . . .	<u>699,576</u>	<u>686,264</u>	<u>13,312</u>
Excess of revenues (under) expenditures . . . . .	<u>(60,033)</u>	<u>(52,536)</u>	<u>7,497</u>
<b>Other financing sources (uses):</b>			
Refund of prior year's receipts . . . . .	(471)	(461)	10
Advances in . . . . .	25,365	25,134	(231)
Total other financing sources (uses) . . . . .	<u>24,894</u>	<u>24,673</u>	<u>(221)</u>
Net change in fund balance . . . . .	(35,139)	(27,863)	7,276
<b>Fund balance at beginning of year . . . . .</b>	30,382	30,382	-
<b>Prior year encumbrances appropriated . .</b>	13,124	13,124	-
<b>Fund balance at end of year. . . . .</b>	<u><u>\$ 8,367</u></u>	<u><u>\$ 15,643</u></u>	<u><u>\$ 7,276</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Extracurricular . . . . .	\$ 137,899	\$ 59,893	\$ (78,006)
Classroom materials and fees. . . . .	117,152	50,882	(66,270)
Contributions and donations . . . . .	87,250	37,895	(49,355)
Other local revenues . . . . .	6,230	2,706	(3,524)
Total revenues. . . . .	<u>348,531</u>	<u>151,376</u>	<u>(197,155)</u>
<b>Expenditures:</b>			
Operation of non-instructional services:			
Other non-instructional services:			
Supplies . . . . .	3,762	1,272	2,490
Total other non-instructional services . . . .	<u>3,762</u>	<u>1,272</u>	<u>2,490</u>
Extracurricular activities:			
School and public service co-curricular activities:			
Purchased services . . . . .	8,309	3,000	5,309
Supplies . . . . .	435,400	153,578	281,822
Capital outlay . . . . .	<u>37,800</u>	<u>13,648</u>	<u>24,152</u>
Total school and public service co-curricular activities . . . . .	<u>481,509</u>	<u>170,226</u>	<u>311,283</u>
Total expenditures . . . . .	<u>485,271</u>	<u>171,498</u>	<u>313,773</u>
Excess of revenues (under) expenditures . . . . .	<u>(136,740)</u>	<u>(20,122)</u>	<u>116,618</u>
<b>Other financing sources:</b>			
Refund of prior year's expenditures . . . . .	1,469	638	(831)
Total other financing sources . . . . .	<u>1,469</u>	<u>638</u>	<u>(831)</u>
Net change in fund balance . . . . .	(135,271)	(19,484)	115,787
<b>Fund balance at beginning of year . . . . .</b>	149,573	149,573	-
<b>Prior year encumbrances appropriated . . .</b>	10,271	10,271	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 24,573</u>	<u>\$ 140,360</u>	<u>\$ 115,787</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Taxes . . . . .	\$ 983,534	\$ 1,191,879	\$ 208,345
Earnings on investments . . . . .	37	45	8
Other revenue . . . . .	82,468	99,937	17,469
Intergovernmental - state . . . . .	13,294	16,110	2,816
Total revenues. . . . .	<u>1,079,333</u>	<u>1,307,971</u>	<u>228,638</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Capital outlay . . . . .	179,679	55,165	124,514
Total regular . . . . .	<u>179,679</u>	<u>55,165</u>	<u>124,514</u>
Support Services:			
Administration:			
Other . . . . .	6,621	2,927	3,694
Total administration . . . . .	<u>6,621</u>	<u>2,927</u>	<u>3,694</u>
Fiscal:			
Other . . . . .	29,286	12,945	16,341
Total fiscal . . . . .	<u>29,286</u>	<u>12,945</u>	<u>16,341</u>
Pupil transportation:			
Purchased services . . . . .	325,769	144,000	181,769
Other . . . . .	98,955	43,741	55,214
Total pupil transportation. . . . .	<u>424,724</u>	<u>187,741</u>	<u>236,983</u>
Extracurricular activities:			
Capital outlay . . . . .	241,748	106,860	134,888
Total extracurricular activities. . . . .	<u>241,748</u>	<u>106,860</u>	<u>134,888</u>
Facilities acquisition and construction:			
Site improvement services:			
Purchased services . . . . .	131,635	53,239	78,396
Other facilities services:			
Purchased services . . . . .	125,227	50,647	74,580
Capital outlay . . . . .	369,199	149,320	219,879
Total facilities acquisition and construction . . . . .	<u>626,061</u>	<u>253,206</u>	<u>372,855</u>
Total expenditures . . . . .	<u>1,508,119</u>	<u>618,844</u>	<u>124,514</u>
Net change in fund balance . . . . .	(428,786)	689,127	353,152
<b>Fund balance at beginning of year . . . . .</b>	327,711	327,711	-
<b>Prior year encumbrances appropriated . . . . .</b>	108,119	108,119	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 7,044</u>	<u>\$ 1,124,957</u>	<u>\$ 353,152</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, 2018

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
From local sources:			
Earnings on investments . . . . .	\$ 40	\$ 2	\$ (38)
Contributions and donations . . . . .	11,460	15,257	3,797
Total revenues. . . . .	<u>11,500</u>	<u>15,259</u>	<u>3,759</u>
<b>Expenses:</b>			
Extracurricular activities:			
School and public service:			
Purchased services . . . . .	107,000	12,250	94,750
Total school and public service . . . . .	<u>107,000</u>	<u>12,250</u>	<u>94,750</u>
Total expenses. . . . .	<u>107,000</u>	<u>12,250</u>	<u>94,750</u>
Net change in fund equity . . . . .	(95,500)	3,009	98,509
<b>Fund equity at beginning of year . . . . .</b>	89,685	89,685	-
<b>Fund equity (deficit) at end of year . . . .</b>	<u><u>\$ (5,815)</u></u>	<u><u>\$ 92,694</u></u>	<u><u>\$ 98,509</u></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, 2018

	<b>Beginning Balance July 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance June 30, 2018</b>
<b>Student Activities</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 280,132	\$ 209,893	\$ 195,574	\$ 294,451
Total assets . . . . .	<u>\$ 280,132</u>	<u>\$ 209,893</u>	<u>\$ 195,574</u>	<u>\$ 294,451</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 385	\$ -	\$ 385	\$ -
Due to students . . . . .	<u>279,747</u>	<u>209,893</u>	<u>195,189</u>	<u>294,451</u>
Total liabilities. . . . .	<u>\$ 280,132</u>	<u>\$ 209,893</u>	<u>\$ 195,574</u>	<u>\$ 294,451</u>
<b>OHSAA Tournaments</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 3,185	\$ 15,236	\$ 16,217	\$ 2,204
Total assets . . . . .	<u>\$ 3,185</u>	<u>\$ 15,236</u>	<u>\$ 16,217</u>	<u>\$ 2,204</u>
<b>Liabilities:</b>				
Intergovernmental payable . . . . .	\$ 3,185	\$ 15,236	\$ 16,217	\$ 2,204
Total liabilities. . . . .	<u>\$ 3,185</u>	<u>\$ 15,236</u>	<u>\$ 16,217</u>	<u>\$ 2,204</u>
<b>Total</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 283,317	\$ 225,129	\$ 211,791	\$ 296,655
Total assets . . . . .	<u>\$ 283,317</u>	<u>\$ 225,129</u>	<u>\$ 211,791</u>	<u>\$ 296,655</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 385	\$ -	\$ 385	\$ -
Intergovernmental payable . . . . .	3,185	15,236	16,217	2,204
Due to students . . . . .	<u>279,747</u>	<u>209,893</u>	<u>195,189</u>	<u>294,451</u>
Total liabilities. . . . .	<u>\$ 283,317</u>	<u>\$ 225,129</u>	<u>\$ 211,791</u>	<u>\$ 296,655</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>142-153</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>154-161</b>
<b>Debt Capacity</b> 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.	<b>162-165</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>166-167</b>
<b>Operating Information</b> 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.	<b>168-177</b>

**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>2018</u>	<u>2017 (3)</u>	<u>2016</u>	<u>2015</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 31,723,499	\$ 32,721,926	\$ 31,800,580	\$ 32,047,648
Restricted	10,969,008	8,742,844	8,555,064	5,985,512
Unrestricted (Deficit)	(47,016,291)	(76,835,473)	(54,295,199)	(60,507,812)
Total governmental activities net position	<u>\$ (4,323,784)</u>	<u>\$ (35,370,703)</u>	<u>\$ (13,939,555)</u>	<u>\$ (22,474,652)</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.

<u>2014 (2)</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
\$ 32,611,481	\$ 31,803,272	\$ 29,104,480	\$ 26,697,219	\$ 27,100,371	\$ 26,089,735
5,924,425	5,852,768	7,502,554	33,449,274	4,966,633	4,883,579
(63,008,117)	15,421,008	16,017,546	18,230,099	16,033,437	12,942,962
<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>	<u>\$ 43,916,276</u>

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Expenses</b>				
Governmental activities:				
Instruction:				
Regular	\$ 9,561,942	\$ 22,656,445	\$ 21,919,688	\$ 22,211,994
Special	4,270,413	8,484,307	7,448,107	7,246,667
Vocational	994,315	776,899	1,053,253	1,000,860
Adult/Continuing	1,568	3,886	3,334	3,275
Other instructional	1,294,993	1,790,306	1,704,407	1,565,581
Support services:				
Pupil	1,947,875	3,894,367	3,726,306	3,588,053
Instructional staff	1,349,033	1,703,423	1,635,220	1,732,345
Board of education	20,468	42,201	71,975	46,916
Administration	1,534,687	3,215,516	2,941,589	2,744,778
Fiscal	940,223	1,264,203	1,442,664	1,302,611
Business	321,226	463,803	459,516	504,915
Operations and maintenance	2,929,868	5,160,733	5,305,924	5,425,118
Pupil transportation	1,985,454	3,794,474	3,654,866	3,968,862
Central	137,169	444,195	354,613	319,218
Operation of non-instructional services				
Food service operations	929,969	1,284,778	1,242,054	1,215,531
Other non-instructional services	918,540	1,563,850	1,258,018	1,305,906
Extracurricular activities	749,890	1,764,627	1,508,100	1,451,391
Interest and fiscal charges	4,279,804	4,160,226	3,913,479	4,884,193
Total governmental activities expenses	<u>\$ 34,167,437</u>	<u>\$ 62,468,239</u>	<u>\$ 59,643,113</u>	<u>\$ 60,518,214</u>

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 24,689,245	\$ 23,734,781	\$ 23,352,699	\$ 23,000,156	\$ 22,316,141	\$ 22,673,208
7,199,739	7,324,149	5,113,771	5,355,715	4,879,232	4,526,920
916,454	189,647	279,679	277,138	283,704	455,026
12,034	96,247	75,712	93,920	65,515	75,909
1,707,338	2,047,292	1,982,160	1,584,547	1,266,107	1,047,544
3,900,942	3,977,719	3,688,102	3,735,847	3,513,646	3,471,572
2,063,238	1,697,184	3,893,297	3,631,697	3,481,561	3,391,280
50,915	36,145	34,898	31,539	25,952	34,216
3,154,314	2,841,239	3,111,459	2,946,534	2,987,406	3,117,290
1,450,781	1,292,707	1,339,376	1,246,556	1,212,175	1,164,119
490,493	464,546	417,407	345,423	359,885	467,300
5,435,449	4,259,499	4,563,603	4,709,177	4,726,262	4,560,697
4,186,528	4,574,030	4,529,102	4,679,476	4,506,745	4,196,978
307,709	322,186	116,643	151,995	154,053	145,385
1,283,386	1,203,488	1,345,128	1,276,077	1,233,229	1,171,096
1,117,682	1,059,550	726,157	736,810	752,129	830,827
1,624,770	1,614,625	1,539,352	1,604,308	1,627,922	1,544,201
5,167,269	5,247,443	5,259,363	4,815,718	1,064,601	1,050,230
<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>	<u>\$ 53,923,798</u>

(Continued)

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

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

<b>Program Revenues</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 395,083	\$ 332,551	\$ 256,620	\$ 366,573
Adult/Continuing	-	7,110	25,235	19,305
Other instructional	-	18,225	-	-
Support services:				
Instructional staff	-	-	-	-
Board of education	-	-	-	-
Administration	-	245	-	-
Operations and maintenance	83,710	77,909	52,856	62,282
Pupil transportation	57,888	59,281	3,530	30,199
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	833,121	842,610	858,000	858,059
Other non-instructional services	594,235	602,108	605,475	538,681
Extracurricular activities	340,292	537,292	443,562	468,648
Operating grants and contributions:				
Instruction:				
Regular	31,959	63,470	42,145	178,710
Special	764,540	824,211	769,782	772,515
Vocational	7,104	7,252	3,046	2,543
Adult/Continuing	41,951	479,931	4,550	12,881
Other	333,854	444,678	381,935	294,726
Support services:				
Pupil	27,449	156,265	194,001	172,447
Instructional staff	72,911	49,935	74,076	72,094
Board of education	-	-	-	-
Administration	474	1,099	1,631	1,934
Operations and maintenance	-	-	15,000	-
Pupil transportation	199,084	247,998	246,984	257,050
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	408,103	331,059	350,925	314,915
Other non-instructional services	686,308	1,137,232	713,243	677,803
Extracurricular activities	202,570	232,744	242,268	219,766
Interest and fiscal charges	-	-	538,464	1,170,112
Capital grants and contributions:				
Support services:				
Pupil transportation	-	-	-	-
Extracurricular activities	-	-	330,000	-
Total governmental program revenues	<u>\$ 5,080,636</u>	<u>\$ 6,453,205</u>	<u>\$ 6,153,328</u>	<u>\$ 6,491,243</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	<u>\$ (29,086,801)</u>	<u>\$ (56,015,034)</u>	<u>\$ (53,489,785)</u>	<u>\$ (54,026,971)</u>

2014	2013	2012	2011	2010	2009
\$ 273,587	\$ 356,263	\$ 344,761	\$ 150,267	\$ 149,017	\$ 145,688
20,466	3,670	7,832	1,702	1,276	2,660
-	-	-	-	-	-
1,858	15,854	2,998	109	679	2,390
-	1,363	-	-	-	253
-	7,406	95,575	84,845	81,151	85,259
50,241	62,754	52,158	42,216	66,563	97,238
37,384	23,789	22,711	9,662	8,867	235,506
-	2,946	-	-	-	-
868,105	926,508	1,028,386	982,339	963,486	933,603
478,299	429,751	331,146	267,213	260,349	247,519
505,537	501,140	516,564	486,912	553,066	507,994
105,712	151,985	131,041	268,130	273,727	441,448
690,652	537,280	404,208	758,975	627,566	443,996
1,745	-	-	-	-	-
7,616	80,696	71,138	90,750	52,876	70,844
329,821	344,380	278,973	318,969	291,851	-
276,567	263,050	243,120	337,910	379,539	206,538
118,751	84,855	261,991	308,232	276,923	249,131
-	290	-	-	-	52
7,003	9,982	13,101	13,677	8,968	753
9	-	236	180,441	158,119	-
301,566	235,326	241,122	200,039	407,412	-
12,600	13,226	12,600	20,925	23,243	32,781
299,765	299,107	318,533	274,306	250,721	215,760
662,317	532,958	498,097	496,917	486,846	489,310
158,876	151,158	151,664	180,309	142,276	119,935
1,630,556	1,680,633	1,757,065	1,351,964	-	-
-	-	-	-	-	47,281
-	-	-	-	-	-
<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>\$ 4,575,939</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>	<u>\$ (49,347,859)</u>

(Continued)

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 41,797,143	\$ 36,486,989	\$ 43,977,628	\$ 38,970,696
Debt service	6,417,674	5,839,450	7,806,044	6,767,839
Capital outlay	1,168,288	826,544	-	-
Payments in lieu of taxes	506,058	455,000	455,000	227,500
Grants and entitlements not restricted				
to specific programs	9,333,934	9,383,072	9,379,082	9,752,076
Investment earnings	647,724	206,295	250,028	169,939
Gain on sale of capital assets	8,942	1,203	17,074	-
Miscellaneous	253,957	474,282	140,026	136,480
Total governmental activities	<u>\$ 60,133,720</u>	<u>\$ 53,672,835</u>	<u>\$ 62,024,882</u>	<u>\$ 56,024,530</u>
 <b>Change in Net Position</b>				
Governmental activities	<u>\$ 31,046,919</u>	<u>\$ (2,342,199)</u>	<u>\$ 8,535,097</u>	<u>\$ 1,997,559</u>

**Source:** School District financial records.



<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 43,338,398	\$ 39,299,209	\$ 39,089,032	\$ 39,263,204	\$ 39,046,558	\$ 39,762,946
7,473,410	6,892,556	6,890,778	5,829,681	2,737,032	2,625,491
-	-	-	-	-	-
-	-	-	-	-	-
9,492,994	9,040,496	9,901,584	11,180,263	11,003,434	10,290,480
175,372	147,324	392,826	545,781	280,765	782,731
-	-	-	-	-	-
367,788	338,990	127,830	155,827	108,120	199,168
<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>\$ 53,660,816</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>	<u>\$ 4,312,957</u>

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:				
Nonspendable	\$ 106,854	\$ 106,367	\$ 56,655	\$ 3,796
Committed	1,168,693	1,168,693	1,168,693	1,549,807
Assigned	2,307,981	1,116,408	3,452,897	7,209,668
Unassigned	22,326,801	21,757,929	22,487,981	13,284,916
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total general fund	<u>\$ 25,910,329</u>	<u>\$ 24,149,397</u>	<u>\$ 27,166,226</u>	<u>\$ 22,048,187</u>
All Other Governmental Funds:				
Nonspendable	\$ 5,484	\$ 6,688	\$ 3,241	\$ 3,198
Restricted	40,177,426	42,833,645	9,912,616	8,383,214
Committed	-	-	-	-
Unassigned (deficit)	(145,522)	(17,407)	-	-
Reserved	-	-	-	-
Unreserved (deficit), reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total all other governmental funds	<u>\$ 40,037,388</u>	<u>\$ 42,822,926</u>	<u>\$ 9,915,857</u>	<u>\$ 8,386,412</u>
Total governmental funds	<u>\$ 65,947,717</u>	<u>\$ 66,972,323</u>	<u>\$ 37,082,083</u>	<u>\$ 30,434,599</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.

2014	2013	2012	2011 (1)	2010	2009
\$ 5,980	\$ 4,546	\$ 5,339	\$ 6,540	\$ -	\$ -
1,570,207	-	-	-	-	-
8,596,012	12,080,739	9,291,068	2,942,446	-	-
8,638,397	6,786,159	10,916,608	19,342,998	-	-
-	-	-	-	7,668,287	8,064,469
-	-	-	-	13,180,434	10,857,245
<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>	<u>\$ 18,921,714</u>
\$ 3,365	\$ 2,653	\$ 14,018	\$ 9,020	\$ -	\$ -
8,194,993	25,702,190	69,160,731	87,957,784	-	-
690	686	-	-	-	-
(56,743)	(64)	(471)	(1,794)	-	-
-	-	-	-	4,423,702	4,215,267
-	-	-	-	325,863	516,687
-	-	-	-	(75,436)	11,436
<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>\$ 4,743,390</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>	<u>\$ 23,665,104</u>

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

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

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>				
From local sources:				
Property taxes	\$ 49,292,344	\$ 43,172,464	\$ 51,830,226	\$ 48,890,476
Payment in lieu of taxes	506,058	455,000	455,000	227,500
Tuition	918,965	887,429	794,319	839,728
Transportation fees	57,888	59,281	3,530	30,199
Earnings on investments	662,343	182,898	256,017	163,358
Charges for services	858,692	842,610	858,000	858,059
Extracurricular	289,806	348,531	243,421	276,493
Classroom materials and fees	94,968	225,406	237,855	241,858
Rental income	84,710	85,019	80,486	84,561
Contributions and donations	244,338	311,509	573,317	222,504
Other local revenues	434,116	1,329,680	146,301	173,001
Intergovernmental	12,135,571	12,172,873	12,698,494	13,659,297
Total revenues	<u>65,579,799</u>	<u>60,072,700</u>	<u>68,176,966</u>	<u>65,667,034</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	19,877,880	20,240,428	19,913,671	20,232,577
Special	8,702,985	8,083,944	7,380,042	7,239,817
Vocational	1,060,469	725,430	1,008,643	948,826
Adult/Continuing	4,150	3,521	3,151	3,125
Other	1,635,161	1,770,772	1,707,108	1,535,347
Support Services:				
Pupil	3,693,039	3,778,917	3,659,332	3,610,121
Instructional staff	1,982,670	1,535,087	1,532,568	1,697,595
Board of education	31,249	41,589	71,975	46,916
Administration	2,888,252	3,094,778	2,865,404	2,716,512
Fiscal	1,263,360	1,299,039	1,447,696	1,286,694
Business	485,547	357,273	382,702	417,487
Operations and maintenance	4,906,984	5,059,298	4,949,687	5,004,548
Pupil transportation	3,492,090	3,624,997	3,588,283	3,749,652
Central	390,093	438,624	348,728	317,245
Operation of non-instructional services:				
Food service operations	1,212,683	1,169,048	1,141,498	1,097,093
Other non-instructional services	1,404,152	1,531,622	1,243,386	1,342,690
Extracurricular activities	1,379,277	1,641,751	1,438,805	1,362,133
Facilities acquisitions and construction	5,105,323	1,407,718	895,447	1,286,258
Capital outlay	814,000	-	-	430,188
Debt service:				
Principal retirement	2,569,013	2,720,632	4,576,464	4,218,462
Interest and fiscal charges	4,541,399	3,664,805	3,402,014	3,890,105
Bond issuance costs	-	283,795	-	518,259
Accretion on CABs	-	1,835,000	-	-
Total expenditures	<u>67,439,776</u>	<u>64,308,068</u>	<u>61,556,604</u>	<u>62,951,650</u>
Excess of revenues over (under) expenditures	(1,859,977)	(4,235,368)	6,620,362	2,715,384
<b>Other Financing Sources (Uses)</b>				
Transfers in	24,242	10,000	10,000	10,000
Transfers (out)	(24,242)	(10,000)	(10,000)	(10,000)
Payment to refunded bond escrow agent	-	-	-	(60,711,594)
Sale of capital assets	21,371	2,925	27,122	170
Capital lease transaction	814,000	-	-	430,188
Bonds issued	-	33,630,000	-	58,530,000
Premium on bonds	-	492,683	-	2,517,550
Total other financing sources (uses)	<u>835,371</u>	<u>34,125,608</u>	<u>27,122</u>	<u>766,314</u>
Net change in fund balances	<u>\$ (1,024,606)</u>	<u>\$ 29,890,240</u>	<u>\$ 6,647,484</u>	<u>\$ 3,481,698</u>
Capital expenditures (included in expenditures above)	5,988,514	1,864,198	669,841	859,546
Debt service principal and interest as a percentage of noncapital expenditures	11.571%	13.165%	13.104%	13.059%

**Source:** School District financial records.

2014	2013	2012	2011	2010	2009
\$ 49,027,107	\$ 46,029,492	\$ 45,596,405	\$ 45,089,726	\$ 41,131,376	\$ 43,331,596
-	-	-	-	-	-
676,943	698,154	688,926	425,948	403,330	417,510
37,384	23,789	22,711	9,662	8,867	17,201
180,519	172,815	431,229	562,239	278,293	802,027
868,105	926,508	1,028,386	982,339	963,486	933,603
313,778	332,604	313,010	291,336	332,193	326,839
234,840	245,786	257,721	253,414	289,196	242,364
79,244	85,532	73,317	46,146	70,613	102,288
201,817	155,672	212,665	185,001	154,134	130,720
301,969	343,566	84,901	172,247	124,889	199,168
13,766,095	13,205,762	14,191,851	15,722,569	14,206,900	12,925,406
65,687,801	62,219,680	62,901,122	63,740,627	57,963,277	59,428,722
22,186,800	23,173,399	23,070,405	22,340,830	22,074,806	21,540,301
7,024,234	7,368,927	5,027,566	5,270,067	4,871,042	4,362,750
865,520	170,464	261,561	258,978	271,866	433,570
4,874	89,426	68,779	86,987	58,582	106,960
1,753,655	2,029,622	1,991,929	1,579,574	1,262,671	1,041,855
3,766,263	3,904,547	3,657,070	3,630,520	3,444,392	3,332,392
1,878,517	1,733,345	3,836,991	3,569,005	3,411,558	3,243,215
50,915	36,145	34,898	31,539	25,952	34,216
2,984,298	2,746,947	3,048,722	2,960,532	2,975,946	3,046,009
1,452,074	1,271,810	1,332,699	1,226,200	1,183,863	1,169,785
467,070	443,576	414,840	383,740	349,305	452,497
5,089,408	4,173,108	4,426,443	4,720,517	4,450,026	4,482,016
4,005,405	4,402,418	4,221,894	4,691,657	4,628,794	4,247,517
303,174	301,020	113,063	147,655	153,295	141,709
1,178,951	1,168,207	1,302,398	1,230,889	1,200,931	1,167,000
1,121,698	1,044,019	725,855	734,860	748,294	792,378
1,516,214	1,599,205	1,502,937	1,576,940	1,632,120	1,542,829
18,156,604	43,669,157	19,583,160	2,979,138	536,858	660,047
-	-	-	-	-	348,014
4,706,118	4,389,907	4,029,164	2,103,859	1,978,966	1,816,167
4,816,384	4,952,402	4,977,989	4,209,828	847,164	872,284
-	-	108,493	714,366	-	-
-	-	-	-	-	-
83,328,176	108,667,651	83,736,856	64,447,681	56,106,431	54,833,511
(17,640,375)	(46,447,971)	(20,835,734)	(707,054)	1,856,846	4,595,211
65,252	10,000	10,000	10,000	10,000	10,000
(65,252)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
-	-	(6,967,612)	-	-	-
16,367	-	427	407	900	1,144
-	-	-	-	-	348,014
-	-	6,540,000	84,055,000	-	-
-	-	393,218	1,385,791	-	-
16,367	-	(33,967)	85,441,198	900	349,158
\$ (17,624,008)	\$ (46,447,971)	\$ (20,869,701)	\$ 84,734,144	\$ 1,857,746	\$ 4,944,369
18,459,012	44,202,354	20,111,718	3,818,908	1,516,369	1,337,258
14.680%	14.492%	14.157%	10.414%	5.177%	5.025%

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

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

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value <sup>(1)</sup>	Assessed Value	Estimated Actual Value <sup>(1)</sup>	Assessed Value	Estimated Actual Value <sup>(1)</sup>
2018	\$ 1,421,129,760	\$ 4,060,370,743	\$ -	\$ -	\$ 29,844,940	\$ 33,914,705
2017	1,415,841,400	4,045,261,143	-	-	27,951,630	31,763,216
2016 <sup>(3)</sup>	1,400,587,290	4,001,677,971	-	-	25,840,090	29,363,739
2015	1,340,030,420	3,828,658,343	-	-	25,237,460	28,678,932
2014	1,330,437,240	3,801,249,257	-	-	24,094,940	27,380,614
2013 <sup>(2)</sup>	1,344,496,130	3,841,417,514	-	-	21,853,120	24,833,091
2012	1,345,136,450	3,843,247,000	-	-	19,742,750	22,434,943
2011	1,351,387,610	3,861,107,457	-	-	18,395,760	20,904,273
2010 <sup>(3)</sup>	1,346,534,600	3,847,241,714	-	-	17,904,860	20,346,432
2009	1,382,016,100	3,948,617,429	12,193,793	195,100,688	16,859,840	19,158,909

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

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

<sup>(2)</sup> Reappraisal of property values.

<sup>(3)</sup> Triennial update of property values.

<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>	<b>Total Direct Tax Rate</b>
\$ 1,450,974,700	\$ 4,094,285,447	35.44%	\$ 69.90
1,443,793,030	4,077,024,359	35.41%	70.20
1,426,427,380	4,031,041,710	35.39%	70.10
1,365,267,880	3,857,337,275	35.39%	70.10
1,354,532,180	3,828,629,871	35.38%	70.10
1,366,349,250	3,866,250,605	35.34%	70.10
1,364,879,200	3,865,681,943	35.31%	70.10
1,369,783,370	3,882,011,730	35.29%	70.10
1,364,439,460	3,867,588,146	35.28%	66.70
1,411,069,733	4,162,877,026	33.90%	66.50

**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			
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	
2008/2009	13.42	2.80	9.60	58.60	2.10	-	5.80	66.50	

**Source:** Cuyahoga County Fiscal Officer's Office



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

PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
DECEMBER 31, 2017 AND DECEMBER 31, 2008

<b>December 31, 2017</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total District Real Estate Assessed Value</b>
CP Commercial Delaware, LLC	\$ 46,863,810	1	3.30%
American Greetings Corp	38,818,310	2	2.73%
Cuyahoga County Port Authority	20,979,630	3	1.48%
Promenade Delaware	12,272,510	4	0.86%
Remington Apartments NF	6,759,310	5	0.48%
ARC Westlake Village, Inc.	6,508,500	6	0.46%
BCM Westlake, LLC	6,290,280	7	0.44%
CP Phase I Residential Delaware, LLC	5,755,030	8	0.40%
VIP Apts, LLC	5,667,490	9	0.40%
Sturbridge Square Ohio, LLC	5,561,930	10	0.39%
Total	<u>\$ 155,476,800</u>		<u>10.94%</u>
Total Real Estate Valuation	<u>\$ 1,421,129,760</u>		

<b>December 31, 2008</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total District Real Estate Assessed Value</b>
Toledo Lucas County Port Authority	\$ 37,855,580	1	2.74%
Promenade Delaware LLC	13,702,050	2	0.99%
Energizer Battery Manufacturing	11,229,580	3	0.81%
University Hospitals Health System	7,417,280	4	0.54%
Sturbridge Square Apartments	7,215,120	5	0.52%
Remington Apartments NF LLC	7,035,010	6	0.51%
Crossings Village Westlake LLC	6,755,010	7	0.49%
Cleveland Retirement	5,659,650	8	0.41%
DRG Hunter's Chase TIC 6, LLC	5,600,040	9	0.41%
Village in the Park	5,451,880	10	0.39%
Total	<u>\$ 107,921,200</u>		<u>7.81%</u>
Total Real Estate Valuation	<u>\$ 1,382,016,100</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, 2017 AND DECEMBER 31, 2008

<b>December 31, 2017</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total District Tangible and Public Utility Assessed Value</b>
Cleveland Electric Illuminating Co.	\$ 20,226,810	1	67.77%
Columbia Gas of Ohio	4,868,680	2	16.31%
American Transmission System	4,732,650	3	15.86%
Total	<u>\$ 29,828,140</u>		<u>99.95%</u>
Total Tangible Personal Property and Public Utility Assessed Valuation	<u>\$ 29,844,940</u>		
<b>December 31, 2008</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total District Tangible and Public Utility Assessed Value</b>
TA Operating Corp.	\$ 2,473,950	1	8.52%
USG Interiors Inc.	1,697,070	2	5.84%
Ohio Bell	1,449,080	3	4.99%
Dave & Buster	1,349,200	4	4.64%
Energizer Battery	820,520	5	2.82%
Bonnie Bell Inc.	797,670	6	2.75%
Alluminum Line Products	776,320	7	2.67%
True Value Company	774,070	8	2.66%
Patrick Obrien Chevrolet	589,038	9	2.03%
John M Lance Ford	422,337	10	1.45%
Total	<u>\$ 11,149,255</u>		<u>38.38%</u>
Total Tangible Personal Property and Public Utility Assessed Valuation	<u>\$ 29,053,633</u>		

**Source:** Cuyahoga County Fiscal Officer's Office

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

**PROPERTY TAX LEVIES AND COLLECTIONS <sup>(1)</sup>  
LAST TEN FISCAL YEARS**

<b>Tax Year/ Collection Year</b>	<b>Current Levy</b>	<b>Delinquent Levy <sup>(2)</sup></b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Percent of Current Levy Collected</b>
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%
2008/2009	46,531,097	1,875,415	48,406,512	44,880,351	96.45%

**Source:** Cuyahoga County Fiscal Officer's Office

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

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

<b>Delinquent Collection</b>		<b>Total Collection</b>	<b>Total Collection As a Percent of Total Levy</b>
\$	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%
	891,324	45,771,675	94.56%

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

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Per Capita <sup>(2)</sup></b>	<b>Per ADM <sup>(2)</sup></b>	<b>Percentage of Personal Income <sup>(3)</sup></b>
	<b>General Obligation Bonds <sup>(1)</sup></b>	<b>Capital Leases</b>				
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%
2009	23,094,011	348,014	23,442,025	733	5,801	1.98%

**Sources:**

<sup>(1)</sup> See notes to the financial statements regarding the District's outstanding debt information. Includes accreted interest on capital appreciation bonds and unamortized premiums.

<sup>(2)</sup> See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for population and enrollment information.

<sup>(3)</sup> See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for per capita personal income and population. Personal income equals per capital personal income times population.

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

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

<b>Fiscal Year</b>	<b>Total General Obligation Bonded Debt <sup>(1)</sup></b>	<b>Net Position Restricted for Debt Service</b>	<b>Net General Obligation Bonded Debt</b>	<b>Percentage of Actual Taxable Value of Property <sup>(2)</sup></b>	<b>Per Capita <sup>(3)</sup></b>
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
2009	23,094,011	4,086,581	19,007,430	0.46%	595

**Sources:**

<sup>(1)</sup> See notes to the financial statements regarding the District's outstanding debt information. Includes accreted interest on capital appreciation bonds and unamortized premiums.

<sup>(2)</sup> See schedule "Assessed Valuation and Estimated Actual Value of Taxable Property" for assessed valuation of property.

<sup>(3)</sup> 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, 2018**

<b>Governmental Unit</b>	<b>Debt Attributable to Governmental Activities</b>	<b>Percentage Applicable to School District <sup>(1)</sup></b>	<b>Amount of Direct and Overlapping Debt</b>
Westlake City School District	\$ 114,179,873	100.00%	\$ 114,179,873
Overlapping debt:			
Cuyahoga County	207,485,000	5.25%	10,892,963
Regional Transit Authority	1,995,000	5.25%	104,738
City of Westlake	<u>57,125,000</u>	100.00%	<u>57,125,000</u>
Total overlapping debt	<u>266,605,000</u>		<u>68,122,700</u>
Total direct and overlapping debt	<u><u>\$ 380,784,873</u></u>		<u><u>\$ 182,302,573</u></u>

**Source:** Ohio Municipal Advisory Council

<sup>(1)</sup> 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**

<b>Fiscal Year</b>	<b>Voted Debt Limit</b>	<b>Total Debt Applicable to Limit <sup>(1)</sup></b>	<b>Debt Service Available Balance</b>	<b>Net Debt Applicable to Limit</b>	<b>Voted Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
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%
2009	125,898,835	18,227,070	4,062,615	14,164,455	111,734,380	11.25%

**Source:** Cuyahoga County Fiscal Officer and District financial records

**Voted Debt Limit Calculation for Fiscal Year 2018**

Assessed Value	\$ 1,450,974,700
Debt Limit (9% of assessed value)	X 9%
Voted Debt Limit	<u>\$ 130,587,723</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.

<sup>(1)</sup> 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**

<b>Year</b>	<b>Population <sup>(1)</sup></b>	<b>Per Capita Personal Income <sup>(1)</sup></b>	<b>Median Age <sup>(1)</sup></b>	<b>School Enrollment <sup>(2)</sup></b>	<b>Unemployment Rates <sup>(3)</sup></b>		
					<b>Cuyahoga County</b>	<b>Ohio</b>	<b>United States</b>
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%
2009	31,972	37,044	42.0	4,041	10.2%	11.2%	10.2%

**Sources:**

<sup>(1)</sup> U. S. Census Bureau. 2008-2010 census data, 2011-2015 census data, 2016 and 2017 census estimate.

<sup>(2)</sup> School District records

<sup>(3)</sup> 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

<b>Employer</b>	<b>December 31, 2017</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
University Hospitals Health Systems Inc.	2,908	1	7.70%
Hyland Software	1,621	2	4.28%
American Greetings Corporation	1,533	3	4.05%
Westlake City Schools	856	4	2.26%
TA Operating, LLC	696	5	1.84%
City of Westlake	445	6	1.18%
Equity Administrative Services	425	7	1.12%
Cleveland Clinic Foundation	323	8	0.85%
USG Interiors LLC	183	9	0.48%
Energizer Manufacturing Inc	124	10	0.33%
Total	9,114		24.09%
Total City Employment	37,840		
<b>Employer</b>	<b>December 31, 2008</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
St. John Westshore Hospital	1,197	1	4.85%
Hyland Software	710	2	2.88%
Westlake City Schools	628	3	2.54%
Energizer Manufacturing Inc	450	4	1.82%
City of Westlake	432	5	1.75%
Lutheran Home	300	6	1.21%
USG Interiors/American Metals	300	7	1.21%
Harborside Healthcare	300	8	1.21%
Travel Centers of America	300	9	1.21%
Lake Erie Electric Inc.	275	10	1.11%
Total	4,892		19.81%
Total City Employees	24,692		

**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

<b>Type</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Professional Staff:				
Teaching Staff:				
Elementary	94	90	90	88
Intermediate	42	40	44	43
Middle	42	42	42	43
High	75	75	74	75
Administration:				
District	20	20	20	20
Auxiliary Positions:				
Counselors	10	10	9	9
Nurses	2	2	2	2
Speech	7	7	7	7
Mental Health Specialists	4	4	4	4
Support Staff:				
Secretarial	34	34	34	36
Aides	69	71	69	68
Hall monitor/Security	9	10	9	9
Technical	3	3	3	3
Cooks	32	32	32	34
Custodial	36	36	36	37
Maintenance	7	7	7	7
Bus Driver	54	55	58	61
Mechanics	3	3	3	3
Extracurricular	200	200	200	200
Total	<u>743</u>	<u>741</u>	<u>743</u>	<u>749</u>

**Source:** School District records  
Head-count only

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
88	92	92	87	87	87
41	42	43	43	43	41
48	50	50	50	50	46
87	89	89	89	89	93
20	20	22	21	20	21
7	10	10	10	10	10
2	2	2	2	2	2
7	7	8	8	8	7
4	4	4	4	4	4
42	42	42	42	42	42
68	71	72	72	68	67
9	9	9	12	12	12
2	2	2	2	2	2
21	34	33	33	33	33
38	34	34	34	35	35
6	6	6	6	6	6
56	70	73	78	76	70
3	3	3	3	3	3
200	200	200	200	200	200
<u>749</u>	<u>787</u>	<u>794</u>	<u>796</u>	<u>790</u>	<u>781</u>

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

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Instruction:				
Regular and Special				
Enrollment (students)	3,483	3,516	3,646	4,059
Graduates	296	271	321	322
Support services:				
Board of education				
Regular meetings per year	12	12	12	12
Administration				
Student attendance percentage	95.5%	95.0%	95.8%	95.7%
Fiscal				
Purchase orders				
processed	4,698	5,246	5,200	6,325
Nonpayroll checks				
issued	4,188	4,729	4,997	4,967
Operations and maintenance				
Work orders completed	280	879	965	482
Square footage				
maintained <sup>(1)</sup>	804,957	825,860	825,860	825,860
Extracurricular activities				
Varsity teams	25	23	22	22
Junior varsity teams	19	17	16	19
Food service operations				
Meals served to students	207,186	210,914	223,628	226,991

**Source:** School District records

**Note:** Certain indicators reported in previous CAFR's have been deemed irrelevant and removed from the above schedule.

<sup>(1)</sup> Square footage revised from previous CAFR's. See scheule "School Building Information, Last Ten Fiscal Years" for detail on square footage maintained.

2014	2013	2012	2011	2010	2009
3,934 357	3,988 314	4,065 309	4,043 310	4,016 324	4,041 314
12	12	12	12	12	12
95.7%	95.4%	95.4%	95.4%	95.0%	95.8%
6,227	5,846	5,534	5,450	5,777	5,758
4,949	5,182	5,183	5,231	5,342	6,221
558	597	578	473	590	606
825,860	604,625	604,625	604,625	604,625	604,625
22 19	22 19	22 19	22 19	22 19	22 19
227,870	228,464	266,278	252,337	237,418	219,937

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

**CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Land	\$ 2,576,787	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751
Construction in progress	4,748,342	1,326,990	401,514	122,167
Land improvements	150,683	161,463	133,606	140,847
Buildings and improvements	105,287,289	106,812,970	109,106,769	111,670,872
Furniture and equipment	1,960,110	1,912,312	1,852,711	2,003,405
Vehicles	1,590,124	960,670	1,045,422	1,195,607
Textbooks and library books	-	-	241,790	494,703
	<hr/>	<hr/>	<hr/>	<hr/>
Total Governmental Activities				
Capital Assets, net	<u>\$ 116,313,335</u>	<u>\$ 113,643,156</u>	<u>\$ 115,250,563</u>	<u>\$ 118,096,352</u>

**Source:** School District financial records.

**Note:** Amounts above are presented net of accumulated depreciation.



<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751
-	66,212,623	22,561,980	3,116,957	87,881	-
148,088	155,329	162,570	169,811	177,052	184,293
114,356,858	33,804,606	34,857,016	35,905,928	36,960,053	37,949,416
1,696,724	1,797,168	1,921,098	1,959,376	2,094,293	1,989,071
1,405,631	1,594,653	1,748,308	2,039,236	1,976,914	1,830,072
681,145	657,790	641,484	517,196	500,521	205,999
<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>	<u>\$ 44,627,602</u>

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

SCHOOL BUILDING INFORMATION <sup>(1)</sup>  
LAST TEN FISCAL YEARS

	2018	2017	2016	2015
Bassett Elementary (1967)[1987,1998]				
Square feet	41,880	41,880	41,880	41,880
Capacity (students)	335	335	335	335
Enrollment	343	368	402	430
Dover Elementary (1949)[1970]				
Square feet	43,671	43,671	43,671	43,671
Capacity (students)	352	352	352	352
Enrollment	336	316	326	338
Hilliard Elementary (1954)[1998]				
Square feet	40,937	40,937	40,937	40,937
Capacity (students)	328	328	328	328
Enrollment	319	315	308	330
Holly Lane Elementary (1961)[1998]				
Square feet	35,488	35,488	35,488	35,488
Capacity (students)	283	283	283	283
Enrollment	216	209	242	298
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] <sup>(4)</sup>				
Square feet	92,256	92,256	92,256	92,256
Capacity (students)	805	805	805	805
Enrollment	526	553	562	600
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	567	613	614	624
Westlake High School (1960)[1970,1988] <sup>(2)</sup>				
Square feet	-	-	-	-
Capacity (students)	-	-	-	-
Enrollment	-	-	-	-
Westlake High School (2013)[1998,2004] <sup>(3)</sup>				
Square feet	363,441	363,441	363,441	363,441
Capacity (students)	2,106	2,106	2,106	2,106
Enrollment	1,176	1,142	1,192	1,439
Administration Building (2003) <sup>(5)</sup>				
Square feet	-	20,903	20,903	20,903
Transportation Facility				
Square feet	11,663	11,663	11,663	11,663
Total Square Feet	804,957	825,860	825,860	825,860
Total Capacity	5,768	5,768	5,768	5,768
Total Enrollment	3,483	3,516	3,646	4,059

**Source:** School District records

<sup>(1)</sup> The schedule has been revised from the prior CAFR to consolidate totals by building.

<sup>(2)</sup> Building was demolished upon completion of the new Westlake High School.

<sup>(3)</sup> In 2013, the new High School was built attached to the existing Performing Arts Center (1998) and next to the freestanding Field House (2004).

<sup>(4)</sup> Former Lee Burneson Facility renamed to Dover Intermediate School- 2014

<sup>(5)</sup> 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.

2014	2013	2012	2011	2010	2009
41,880	41,880	41,880	41,880	41,880	41,880
335	335	335	335	335	335
430	443	436	393	386	394
43,671	43,671	43,671	43,671	43,671	43,671
352	352	352	352	352	352
338	346	353	370	383	389
40,937	40,937	40,937	40,937	40,937	40,937
328	328	328	328	328	328
330	303	334	328	315	309
35,488	35,488	35,488	35,488	35,488	35,488
283	283	283	283	283	283
298	313	352	327	328	307
72,521	72,521	72,521	72,521	72,521	72,521
519	519	519	519	519	519
-	585	586	594	590	630
92,256	92,256	92,256	92,256	92,256	92,256
805	805	805	805	805	805
600	619	641	666	680	664
103,100	-	-	-	-	-
1,040	-	-	-	-	-
624	-	-	-	-	-
-	245,606	245,606	245,606	245,606	245,606
-	1,246	1,246	1,246	1,246	1,246
-	1,379	1,363	1,365	1,334	1,348
363,441	-	-	-	-	-
2,106	-	-	-	-	-
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	604,925	604,925	604,925	604,925	604,925
5,768	3,868	3,868	3,868	3,868	3,868
3,934	3,988	4,065	4,043	4,016	4,041

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

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment
	Expenditures <sup>(1)</sup>	Cost per pupil	Expenses <sup>(1)</sup>	Cost per pupil	
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
2009	52,145,060	12,904	52,873,568	13,084	4,041

**Source:** School District records

<sup>(1)</sup> 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.

<sup>(2)</sup> Full-time certificated teaching staff.

<b>Percent Change</b>	<b>Teaching Staff <sup>(2)</sup></b>	<b>Pupil/Teacher Ratio</b>	<b>Student Attendance Percentage</b>
-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%
-1.94%	267	15.13	95.80%

# 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>