



OHIO AUDITOR OF STATE
KEITH FABER



**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2020**

TABLE OF CONTENTS

TITLE	PAGE
Prepared by Management:	
Schedule of Expenditures of Federal Awards.....	1
Notes to the Schedule of Expenditures of Federal Awards	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	5
Schedule of Findings.....	9
Attachment: Comprehensive Annual Financial Report (CAFR)	

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WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education</i>				
National School Lunch Program	10.555		\$ 209,196	\$ 60,902
Total U.S. Department of Agriculture			<u>209,196</u>	<u>60,902</u>
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education</i>				
Special Education Cluster (IDEA):				
Special Education-Grants to States (IDEA Part B) - 2019	84.027		146,906	
Special Education-Grants to States (IDEA Part B) - 2020	84.027		800,000	
Total Special Education-Grants to States (IDEA Part B)			<u>946,906</u>	
Special Education- Preschool Grants-(IDEA Preschool) - 2019	84.173		28,067	
Special Education- Preschool Grants-(IDEA Preschool) - 2020	84.173		7,248	
Total Special Education-Preschool Grants (IDEA Preschool)			<u>35,315</u>	
Total Special Education Cluster (IDEA)			982,221	
Title I Grants to Local Educational Agencies (Title I, Part A of EVSEA) - 2019	84.010		82,320	
Title I Grants to Local Educational Agencies (Title I, Part A of EVSEA) - 2020	84.010		301,433	
Total Title I Grants to Local Educational Agencies			<u>383,753</u>	
Title VI Student Support - 2019	84.184		13,394	
Title VI Student Support - 2020	84.184		24,269	
Total Title VI Student Support			<u>37,663</u>	
English Language Acquisition Grants (LEP) - 2019	84.365		46,174	
English Language Acquisition Grants (LEP) - 2020	84.365		33,961	
Total English Language Acquisition Grants			<u>80,135</u>	
Improving Teacher Quality State Grants - 2019	84.367		53,837	
Improving Teacher Quality State Grants - 2020	84.367		104,092	
Total Improving Teacher Quality State Grants			<u>157,929</u>	
Total U.S. Department of Education			<u>1,641,701</u>	
Total Expenditures of Federal Awards			<u>\$ 1,850,897</u>	<u>\$ 60,902</u>

The accompanying notes are an integral part of this schedule.

**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Westlake City School District, Cuyahoga County, Ohio, (the District) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 29, 2020, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* in 2020. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 29, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Westlake City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Westlake City School District's major federal program for the year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Westlake City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 29, 2020. Our opinion also explained that the District adopted *Governmental Accounting Standards Board Statement No. 84* during the year and noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

December 29, 2020

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**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: CFDA #84.027- Special Education Grants to the States CFDA #84.173- Special Education Preschool Grants
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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**WESTLAKE CITY SCHOOL DISTRICT
WESTLAKE, OHIO**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2020



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, 2020



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

24525 HILLIARD BLVD.

WESTLAKE, OHIO 44145

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**WESTLAKE CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY, OHIO**
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

TITLE PAGE

TABLE OF CONTENTSi

I. INTRODUCTORY SECTION

Letter of Transmittal.....v
 Principal Officialsxvi
 Organizational Chartxvii
 Certificate of Achievement for Excellence in Financial Reporting.....xviii

II. FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT.....1

MANAGEMENT’S DISCUSSION AND ANALYSIS5

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position19
 Statement of Activities20

Fund Financial Statements:

Balance Sheet - Governmental Funds.....21

Reconciliation of Total Governmental Fund Balances to Net Position
 of Governmental Activities.....22

Statement of Revenues, Expenditures and Changes in Fund
 Balances - Governmental Funds23

Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities24

Statement of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....25

Statement of Fiduciary Net Position - Custodial Funds.....26

Statement of Changes in Fiduciary Net Position - Custodial Funds27

Notes to the Basic Financial Statements.....29

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS (Continued)

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of the District's Proportionate Share of the Net Pension Liability:

School Employees Retirement System (SERS) of Ohio	82
State Teachers Retirement System (STRS) of Ohio	84

Schedule of District Pension Contributions:

School Employees Retirement System (SERS) of Ohio	86
State Teachers Retirement System (STRS) of Ohio	88

Schedule of the District's Proportionate Share of the Net OPEB Liability:

School Employees Retirement System (SERS) of Ohio	90
State Teachers Retirement System (STRS) of Ohio	91

Schedule of District OPEB Contributions:

School Employees Retirement System (SERS) of Ohio	92
State Teachers Retirement System (STRS) of Ohio	94

Notes to Required Supplementary Information	96
---	----

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements - Major Funds:

Fund Descriptions - Major Funds	100
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Major Funds:	
General Fund	101
Bond Retirement Fund	105
Building Fund	106

Combining Statements - Nonmajor Funds:

Fund Descriptions - Nonmajor Governmental Funds	107
Combining Balance Sheet - Nonmajor Governmental Funds	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	110
Combining Balance Sheet - Nonmajor Special Revenue Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	116

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS (Continued)

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES (Continued):

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds:

Food Service Fund.....	119
Local Grants Fund.....	120
Endowment Fund.....	121
Professional Development Grant Fund.....	122
Student Managed Activity Fund.....	123
Athletic and Music Fund.....	124
Auxiliary Services Fund.....	125
Data Communications Support Fund.....	126
Student Wellness and Success Fund.....	127
College Credit Plus Teacher Credential Grant Fund.....	128
IDEA, Part B Special Education Fund.....	129
Limited English Proficiency Fund.....	130
Title I Fund.....	131
Early Childhood Education Development Fund.....	132
Improving Teacher Quality Fund.....	133
Miscellaneous Federal Grants Fund.....	134

Nonmajor Governmental Funds included in the General Fund on GAAP basis:

Uniform School Supplies Fund.....	135
Interdistrict Summer School Fund.....	136
Community Education Fund.....	137
Public School Support Fund.....	138

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Projects Fund:

Permanent Improvement Fund.....	139
---------------------------------	-----

Combining Statements - Fiduciary Funds:

Fiduciary Fund Descriptions - Custodial Funds.....	141
Combining Statement of Fiduciary Net Position - Custodial Funds.....	142
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds.....	143

III. STATISTICAL SECTION

Contents.....	145
Net Position by Component - Last Ten Fiscal Years.....	146
Changes in Net Position - Last Ten Fiscal Years.....	148
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	154
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	156
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	158
Direct and Overlapping Property Tax Rates - Last Ten Years.....	160

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION (Continued):

Principal Taxpayers, Real Estate Tax - December 31, 2019 and December 31, 2010.....	161
Principal Taxpayers, Tangible Personal Property and Public Utility Property Tax - December 31, 2019 and December 31, 2010.....	162
Property Tax Levies and Collections - Last Ten Fiscal Years.....	164
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	166
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	167
Direct and Overlapping Governmental Activities Debt As of June 30, 2020	168
Legal Debt Margin Information - Last Ten Fiscal Years	169
Demographic and Economic Statistics - Last Ten Fiscal Years.....	170
Principal Employers - Current Year and Nine Years Ago.....	171
Staffing Statistics, Full Time Equivalents (FTE) by Type - Last Ten Fiscal Years	172
Operating Indicators by Function - Last Ten Fiscal Years.....	174
Capital Asset Statistics - Last Ten Fiscal Years	176
School Building Information - Last Ten Fiscal Years.....	178
Operating Statistics - Last Ten Fiscal Years	180

***INTRODUCTORY
SECTION***

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December 29, 2020

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, 2020. 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 3,401 students in grades kindergarten through twelfth. The District provides general education, special education and vocational type academic programs. The District’s enrollment has declined slightly over the past couple years but is projected to remain stable in the foreseeable future.

The Westlake City School District

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

Economic Condition and Outlook

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

The U.S. Census Bureau estimates that the District’s population as of July 1, 2019 was 32,032. See **Economic and Demographic Information – Population** in the statistical section. Its area is approximately 15.9 square miles. Land use, as measured by the assessed value of real property, is presented in the following table.

Percent of Assessed Valuation of Real Property	
Residential	71.66%
Commercial/Industrial	26.28
Public Utility	2.05
Agricultural	0.00
Undeveloped	(a)

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

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

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

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

Thirty-One community hospitals with total capacity of over 7,800 beds serve the Cleveland-Elyria MSA. Hospitals serving the District’s area include St. John Medical Center (located in the School District), Fairview General Hospital (located nine miles southeast of the City), and the main offices of the Cleveland Clinic and University Hospitals (located in the City of Cleveland).

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

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

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

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

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

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

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

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

Major Initiatives

Currently, 3,401 students are enrolled in the District's four schools (one 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) 292 professional staff members and 240 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/maintenance 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 84% of the teaching staff have master's degrees. The District's faculty has an average of 19 years of teaching experience, compared to the statewide average of 14.9 years (as of fiscal year 2020).

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

The District is one of the school districts in the West Shore Career Technical District (West Shore Career Tech), which also includes the Bay Village, Rocky River, and Lakewood City School Districts. In 2019, Lakewood High School has an enrollment of 1293. The vocational program has 88 full-time and part-time students, including 26 from the 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 2019, WHS High had three National Merit Finalists, 4 students that were identified as National Merit Semi-finalists and an additional seven were named as National Merit Commended Scholars. During the 2019-2020 school year, WHS had 113 students designated as an AP Scholar and 8 students named National AP Scholar. Worldwide approximately 13% of students taking AP exams earn this distinction. In addition, the High School is currently engaged in the sixth year of the International Baccalaureate Diploma Programme. Finally, Westlake High School students are responsible for completing 60 hours of Service Learning activities as a requirement for graduation. Each graduating class typically accrues in excess of 20,000 hours of community service as part of our graduation 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.
- 104 students earned college credit through the College Credit Plus program. Westlake High School currently offers 19 college level courses in English, American and World History, Psychology, Spanish, Sociology, Biology and Calculus.
- High School students performed above state averages on the SAT and ACT examinations. The Class of 2019's average ACT score was 23 and average SAT score was 1240, each of which was above national and State averages.
- The District offers an introductory second language learning program at the elementary level to provide students with a foundation for future learning of second and/or third languages. At the intermediate level, students are given the option to continue with the language they studied at the elementary level or to explore another language. At the middle and high school levels, students are given a choice of languages to study.
- Westlake High School (WHS) offers more than 20 visual arts and music courses.
- Lee Burneson Middle School students are offered high school credit courses in Spanish, French, Algebra I, Honors Geometry, Honors Algebra II and Honors Physical Science. 231 Middle School students earned high school credit during the academic year 2019-20 – 101 in World Language, 12 in Honors Physical Science, 28 in Honors Geometry, 106 in Algebra I, and 2 in Algebra II.

- More than 32 WHS students served as peer tutors before and throughout the school day for their classmates.
- Among 2019 graduates, 85% enrolled in higher education, with 68% attending four-year colleges and 17% attending two-year colleges.
- In 2019, one student 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 the academic year 2019-20, 100% of the District's 3rd graders met the criteria for promotion to fourth grade under the State's "Third Grade Reading Guarantee".
- All four of the School District's elementary schools are International Baccalaureate World Schools and are up for reauthorization in 2020. The Primary Years Programme curriculum model, implemented at all four of the elementary schools, uses a combination of inquiry and instruction to help students develop academic knowledge and skills, and apply what they know in new situations. A new consolidated Pre-K through 4 elementary school replaced four older buildings.

Awards and Recognition – (impacted in FY20 due to COVID pandemic)

- The District was awarded a \$17,575 Martha Holden Jennings Foundation grant to help staff provide students with 21st century skills balanced with substantive subject matter in STEMM (Science, Technology, Engineering, Mathematics, and Medicine).
- Four Westlake High School (WHS) seniors were among the 2,500 National Merit Finalists selected by the National Merit Scholarship Corporation to receive \$2,500 National Merit Scholarships.
- The WHS Technology & Engineering Department earned The WHS team took first place and the overall grand prize winning the \$1,000 scholarship. They also won the specialty categories of "Best Model" (\$100), "Best Presentation" (\$100), "Best Smart Home Technology" (\$150), "Best CAD/3D Drawings" (\$100) and the coveted "Architectural Design Award of Merit" (\$100).
- WHS is one of 625 Technology Education and Literacy in Schools (TEALS) schools in the United States. This school year, 45 students have participated in the program.
- Select students participated in the Ohio Music Education Association (OMEA) Contest.
- Every Wednesday, Dover Intermediate School students kick off their day working on academic interventions, addressing social/emotional needs or participating in enrichment activities like yoga and music during WIN (What I Need) Day. Teachers and administrators organize students into groups, depending on each student's particular needs. Some need extra academic support, others need to be challenged through enrichment program, including STEM and coding that teaches problem solving.
- WHS student architects took five of the Top 10 awards in the 23rd Annual Student Model Home Design Contest. The top winners' designs will be featured at The Great Big Home and Garden Show
- WHS senior was part of a West Shore Career-Tech team that took 3rd place in the Cleveland Auto Show Auto Tech Competition. He earned \$2,100 in scholarships and tools and received job offers on the spot!
- WHS students took Intro to Beekeeping classes at Rocky River Nature Center thanks to scholarships from the Westlake Garden Club and Greater Cleveland Beekeeping Association. They will tend the bee hives in the WHS apiary and serve as ambassadors for the school's pollinator garden.
- WHS senior performed with the All-State Band at the OMEA Professional Development Conference in Cincinnati. This was the second All-State performance. Last year this student performed with the All-State Orchestra. The All-State Band was conducted by Mark Scatterday, professor of conducting and chair of the Conducting and Ensembles Department at the University of Rochester's Eastman School of Music.
- Over 40 students were selected as inaugural members of the National English Honor Society at WHS - the 4th chapter in Ohio.
- A WHS senior signed with the junior hockey league team the Northern Cyclones!
- The WHS was named one of the best High Schools in Ohio!
- The City of Westlake makes the list at #4 as Cleveland's best places to live!
- The Girls Varsity Basketball Team wins the SWC Conference and makes it to the OHSAA Regional Semi Final Game.
- Dover Intermediate School (DIS) students are in the middle of the first Mousetrap Interscholastic Design Challenge with two neighboring schools.

- DIS students are busy designing mousetrap cars to rally for a spot in a race with cars from Troy Intermediate School in Avon Lake and East Intermediate School in Midview. DIS Principal Nick Miller said the race was born out of discussions by three principals looking for a friendly competition among buildings.
- Students in Lee Burneson Middle School (LBMS) Intervention Specialist classes participated in a Random Acts of Kindness project.
- Connecting for Kids announced it named its board member award in honor of Westlake Elementary School Preschool teacher Kathy Nash.
- Two high school students honored for their performance in the National YoungArts Foundation contest.
- The LBMS Math Club placed second in their bracket in the online AreteLabs Math Madness competition. Students are given eight challenging math problems, with the top five scores added together for a team score. Teams compete against each other, with the higher score advancing to the next round over 10 weeks. More than 700 schools from across the nation participate in Math Madness. LBMS' 15 students competed against 22 schools in New York, Pennsylvania, California, Wisconsin and North Carolina.
- The WHS Academic Challenge Team finished 10th in the nation out of 171 competing schools in the Questions Unlimited Fall 3-2-1 National Tournament.
- The 2019 Westlake Demons earned [@ohsfca](#) Academic All Ohio with an unweighted team GPA of 3.52.
- Two WHS seniors earned recognition from the National YoungArts Foundation as being among the nation's most accomplished young artists.
- LBMS was one of 173 schools, and Westlake Schools was one of 48 school districts, to earn the State Board of Education's Momentum Award for exceeding expectations in student growth for the year. Schools must earn straight A's on all Value-Added measures on the report card.
- In addition, Westlake Schools was one of 27 Ohio school districts recognized with the Overall A Award for the recent State Report Card. The former Bassett Elementary and LBMS are among 209 Ohio schools to earn Overall A Awards. This is the second year LBMS has earned an Overall A Award.
- Our Science Olympiad Teams competed in Indianapolis this weekend and brought home a 4th place finish overall!
- WHS's Model United Nations Club brought home awards in the Case Western Reserve University Mock United Nations Conference. 37 WHS students went up against 500 delegates from 24 schools.
- Academic Challenge squads competed in the Copley Middle School Tournament. LBMS 1 squad went 7-0 in their bracket. LBMS 2 squad finished 3-4.

Giving Back - (impacted in FY20 due to COVID pandemic)

- Students made Valentine's Day placemats for the residents at the Lutheran Home at Concord Reserve and then personally delivered them. The students spoke with the residents and even had a special opportunity to thank three special military veterans for their service.
- WHS students donated more than 20,000 service learning hours to the community
- DIS welcomed Sunrise Senior Living Community and participated in the intergenerational Go for Life outreach program.
- LBMS Burneson hosted two Kindness Runs to promote positivity, kindness and mental health awareness.
- Our Service Related Organizations (SROs) are doing their part to give back to the community by helping to unload and store food inventory at Westlake Elementary School for Meals on Wheels!
- Alex Lathem (WHS '17) will perform with The Yale Spizzwinks a cappella group at the PAC
- A Penny War raised more than \$1,200 at Westlake Elementary. Third-grade students made fleece blankets for residents of Brighton Gardens, a Westlake senior living community, during their holiday parties. Students also delivered a \$625 check to the Westlake Assistance program.
- WHS seniors spend class time in December impersonating Santa Claus, answering letters from children and grandchildren of staff members. Reichert's 55 students wrote 112 letters as an exercise in understanding the audience, persona and purpose.
- DIS sixth-grade student Ryan Hill donated 2, 199 pairs of socks to The City Mission through his successful Socktober drive.
- WHS's Spanish National Honor Society organized a coat drive for the Community West Foundation's SocksPLUS program. The program provides gently used winter gear and new socks to students in need on Cleveland's West Side.

- WHS National Honor Society (NHS) initiated a blanket drive, collecting 150 blankets for Cleveland Angels, a nonprofit organization that supports children in the foster care system. The NHS blanket drive supported the organization's goal to provide 1,000 blankets to foster children in Cuyahoga County. Our students also assisted in tying and tagging the blankets, as well as filling the truck for the Cleveland Angels' Hope for the Holidays event.

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:

- [Key Communiqué](#) – an e-newsletter that is distributed at least once a month during the school year to provide the latest news and upcoming event information for the District. Anyone can subscribe to this e-newsletter.
- [News Releases](#) – individual news items sent to the local media about contests, photo opportunities, upcoming events, or general informational messages.

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

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

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

For academic years 2016-17, 2017-18, 2018-19 and 2019-20 the District’s grades in the measures included within the components described above were (NR = Not Rated):

	Academic Year 2016-17 Grade	Academic Year 2017-18 Grade	Academic Year 2018-19 Grade	Academic Year 2019-20 Grade (1)
Achievement				
Performance Index	B	B	B	NR
Performance Indicators	C	B	A	NR
Progress				
Value Added: Overall	F	C	A	NR
Value Added: Gifted	C	D	A	NR
Value Added: Students with Disabilities	B	D	A	NR
Value Added: Lowest 20% in Achievement	C	B	A	NR
Gap Closing				
Annual Measurable Objectives (AMOs)	D	A	A	NR
Graduation Rate				
Graduation Rate (four year)	A	A	A	NR
Graduation Rate (five year)	A	A	A	NR
K-3 Literacy				
K-3 Literacy Improvement	(Not rated due to fewer than 5% of Kindergarten students on an improvement plan) NR	NR	NR	NR

(1) The 2019-2020 report card does not have grades or ratings. Limited data is available due to the coronavirus pandemic and ordered school-building closure.

By satisfying 23 of the State’s 24 performance indicators for academic year 2018-19 (all based on achievement or graduation test passage rates), in combination with the performance index (measures the test results of every student) the District earned an “A” for the overall rating system. School districts throughout the State, in the aggregate, were assigned the following Overall Grade designations related to their performance on the State’s achievement assessments and graduation tests.

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

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

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

Long-Term Financial Planning

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

Financial Policies Impacting the Financial Statements

During fiscal year 2015, the District advance refunded \$57,165,000 of Build America Bonds. This advance refunding was undertaken to reduce the combined total debt service payments by \$2,110,668 and resulted in an economic gain of \$1,093,350. No debt refundings took place in fiscal years 2016 - 2020; 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 2020 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.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Keith Faber, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2020. 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, 2019. 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". The signature is written in a cursive style with a large initial "T".

Todd L. Hopkins, CFO/Treasurer

A handwritten signature in black ink, appearing to read "Scott Goggin". The signature is written in a cursive style with a large initial "S".

Scott Goggin, Superintendent of Schools

Westlake City School District
Principal Officials
June 30, 2020

Board of Education

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

Chief Financial Officer/Treasurer

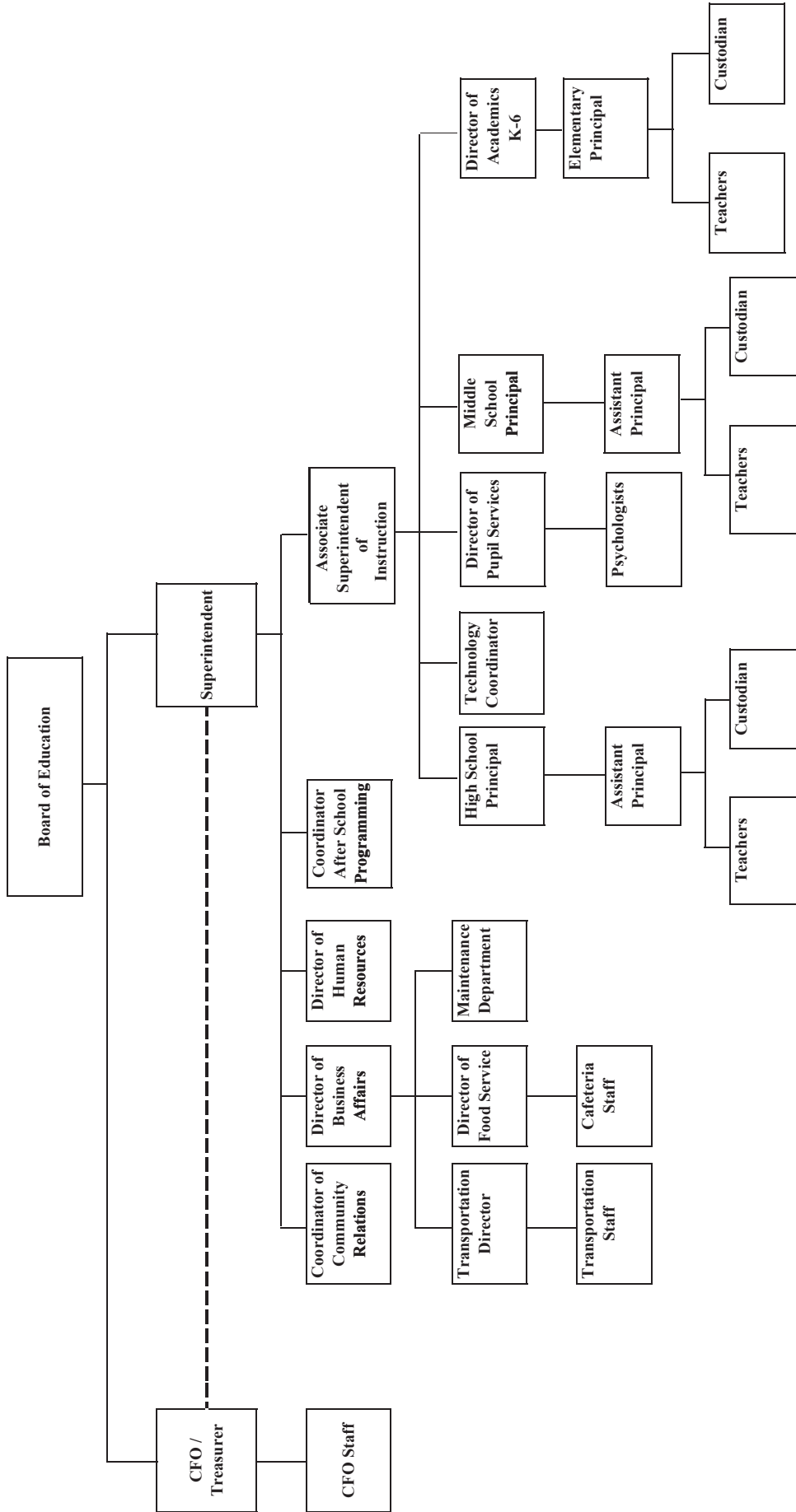
Mr. Todd L. Hopkins

Executive Administration

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

- (1) Mr. Alex Fleming held this position until June 1, 2020. Mrs. Amanda Musselman was named to this position effective August 1, 2020. The position was vacant between these two dates.
- (2) Mr. Brady Sheets held this position until January 1, 2020. Mr. Robert Maver was named to this position effective August 1, 2020. The position was vacant between these two dates.

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, 2019

Christopher P. Morill

Executive Director/CEO

***FINANCIAL
SECTION***

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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westlake City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2020, 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 District, as of June 30, 2020, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2020, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No.84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. 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 29, 2020, 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 29, 2020

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020. 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 2020 are as follows:

- In total, net position of governmental activities decreased \$2,210,224 which represents a 28.55% decrease from 2019's net position (as restated - see Note 3). This decrease is primarily attributed to a decrease of property tax revenues collected by June 30, 2020 and available for advance to the District. Property taxes collected and available to the District are reported as revenue. In response to the COVID-19 pandemic, Cuyahoga County, Ohio received approval from the Ohio Tax Commissioner to extend the due date of the second half 2019 real estate tax payments four weeks making the new due date August 13, 2020. As a result of the extension, the amount of property taxes collected by Cuyahoga County and available as advance to the District at June 30, 2020 decreased. This is a timing issue as these taxes will be collected and reported as revenue in fiscal year 2021.
- General revenues accounted for \$54,386,043 in revenue or 90.12% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$5,963,215 or 9.88% of total revenues of \$60,349,258.
- The District had \$62,559,482 in expenses related to governmental activities; only \$5,963,215 of these expenses were offset by program specific charges for services and sales and operating grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$54,386,043 were not 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 \$48,414,975 in revenues and other financing sources and \$50,180,501 in expenditures and other financing uses. During fiscal 2020, the general fund's fund balance decreased \$1,765,526 from a balance of \$27,646,171 to \$25,880,645.
- The bond retirement fund had \$5,914,610 in revenues and \$6,792,729 in expenditures. During fiscal 2020, the bond retirement fund's fund balance decreased \$878,119 from \$9,365,592 to \$8,487,473.
- The building fund had \$163,154 in revenues and \$5,143,591 in expenditures. During fiscal 2020, the building fund's fund balance decreased \$4,980,437 from \$5,381,226 to \$400,789.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.

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 2020?" 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Reporting the District's Fiduciary Responsibilities

The District's fiduciary activities are reported in separate statement of net position and statement of changes in fiduciary net position. The District's fiduciary activities account for collections and disbursements for the Ohio High School Athletic Association and for activity related to Westlake Alumni Organizations. These activities are reported in custodial funds. 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.

Required Supplementary Information

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 2020 and 2019. Certain amounts for fiscal year 2019 have been restated to reflect the implementation of GASB 84 (see Note 3).

	Net Position	
	Governmental Activities 2020	Restated Governmental Activities 2019
<u>Assets</u>		
Current and other assets	\$ 95,759,881	\$ 101,110,072
Net OPEB asset	3,257,304	3,208,825
Capital assets, net	141,430,380	138,791,374
Total assets	<u>240,447,565</u>	<u>243,110,271</u>
<u>Deferred outflows of resources</u>		
Unamortized deferred charges	707,765	766,000
Pension	10,385,674	14,405,718
OPEB	1,066,073	688,751
Total deferred outflows	<u>12,159,512</u>	<u>15,860,469</u>
<u>Liabilities</u>		
Current liabilities	8,433,331	15,092,564
Long-term liabilities:		
Due within one year	2,945,945	2,710,176
Due in more than one year:		
Net pension liability	59,084,287	58,953,040
Net OPEB liability	6,604,233	7,343,143
Other amounts	110,334,551	112,950,750
Total liabilities	<u>187,402,347</u>	<u>197,049,673</u>
<u>Deferred inflows of resources</u>		
Property taxes	47,970,503	40,087,316
Pensions	5,190,180	7,666,534
OPEB	6,513,332	6,426,278
Total deferred inflows	<u>59,674,015</u>	<u>54,180,128</u>
<u>Net Position</u>		
Net investment in capital assets	32,523,025	24,216,407
Restricted	11,752,252	20,310,517
Unrestricted (deficit)	(38,744,562)	(36,785,985)
Total net position	<u>\$ 5,530,715</u>	<u>\$ 7,740,939</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the District's assets plus deferred outflows exceeded liabilities plus deferred inflows by \$5,530,715. Of this total, \$11,752,252 is restricted in use.

Current and other assets decreased as the District expended cash for construction projects. The District is replacing four aging elementary schools with one new elementary campus. This decrease was partially offset by cash generated by current year operations and an increase in property tax and intergovernmental receivables which are reported as current assets.

At year-end, capital assets represented 58.82% 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, 2020, was \$32,523,025. 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.

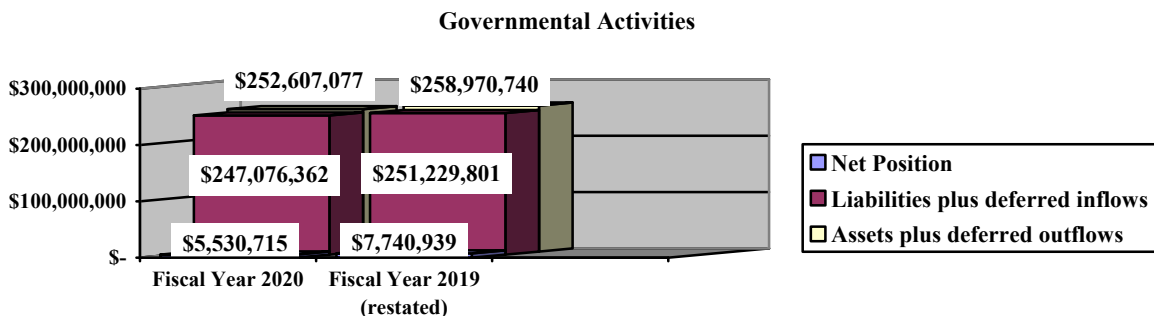
Deferred outflows decreased primarily due to changes in assumptions and differences between expected and actual experience reported by the State Teachers Retirement System (STRS) related to the District's net pension liability.

Current liabilities decreased primarily due to reduced contracts payable as the District is nearing completion of the elementary campus construction project. Long-term liabilities decreased primarily due to a decrease in the net OPEB liability and principal paid on bonds payable. The District's net pension liability remained comparable to the prior year, increasing only \$131,247. The District's net pension liability and net OPEB liability are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, its the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

Deferred inflows increased as the District recognized less tax revenue related to advances collected by Cuyahoga County and available for advance at June 30, 2020 (see page 3). As such, these collections as reflected as a deferred inflow of resources rather than revenue due to the timing of collections.

A portion of the District's net position, \$11,752,252, 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 \$38,744,562.

The graph below illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2020 and 2019. Certain amounts for fiscal year 2019 have been restated to reflect the implementation of GASB 84 (see Note 3).



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The table below shows the change in net position for fiscal years 2020 and 2019. Certain amounts for fiscal year 2019 have been restated to reflect the implementation of GASB 84 (see Note 3).

	Change in Net Position	
	Governmental Activities 2020	Restated Governmental Activities 2019
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 2,294,232	\$ 2,671,047
Operating grants and contributions	3,668,983	2,982,042
General revenues:		
Property taxes	44,094,411	50,133,172
Payment in lieu of taxes	687,567	583,245
Grants and entitlements	7,624,720	8,710,452
Investment earnings	1,171,048	1,454,283
Miscellaneous	<u>808,297</u>	<u>343,053</u>
Total revenues	<u>60,349,258</u>	<u>66,877,294</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	23,395,548	18,882,246
Special	9,151,779	7,299,040
Vocational	1,175,309	1,096,291
Adult/continuing	1,482	3,463
Other	1,526,721	1,320,022
Support services:		
Pupil	3,982,479	3,605,224
Instructional staff	1,854,164	1,523,929
Board of education	33,865	30,789
Administration	3,016,659	2,573,445
Fiscal	1,303,171	1,167,196
Business	514,954	489,965
Operations and maintenance	4,842,154	4,833,938
Pupil transportation	3,422,464	3,280,451
Central	433,994	778,698
Operation of non-instructional services:		
Food service operations	1,314,898	1,235,170
Other non-instructional services	1,172,911	1,310,251
Extracurricular activities	1,207,083	1,368,951
Interest and fiscal charges	<u>4,209,847</u>	<u>4,302,705</u>
Total expenses	<u>62,559,482</u>	<u>55,101,774</u>
Change in net position	(2,210,224)	11,775,520
Net position (deficit)		
at beginning of year (restated)	<u>7,740,939</u>	<u>(4,034,581)</u>
Net position at end of year	<u>\$ 5,530,715</u>	<u>\$ 7,740,939</u>

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Governmental Activities

Net position of the District’s governmental activities decreased \$2,210,224. Total governmental expenses of \$62,559,482 were offset by program revenues of \$5,963,215 and general revenues of \$54,386,043. Program revenues supported 9.53% of the total governmental expenses.

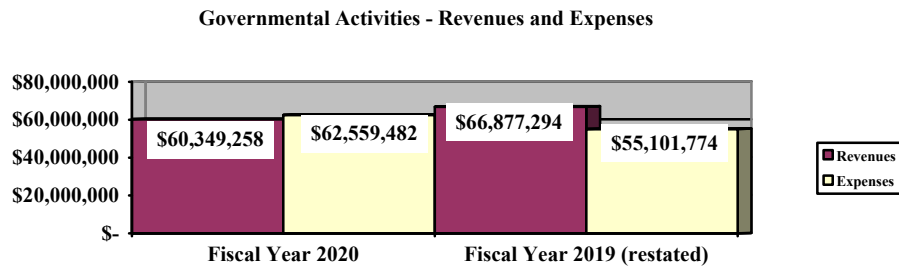
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 85.70% of total governmental revenue.

The most significant decrease was in property tax revenue. This decrease is primarily attributed to a decrease of property tax revenues collected by June 30, 2020 and available for advance to the District. Property taxes collected and available to the District are reported as revenue. In response to the COVID-19 pandemic, Cuyahoga County, Ohio received approval from the Ohio Tax Commissioner to extend the due date of the second half 2019 real estate tax payments four weeks making the new due date August 13, 2020. As a result of the extension, the amount of property taxes collected by Cuyahoga County and available as advance to the District at June 30, 2020 decreased. The amounts of taxes collected and available as advance were \$2,389,070 and \$9,041,582 at June 30, 2020, and 2019, respectively. These amounts are reported as tax revenue by the District. The decrease in these amounts of \$6,652,512 are directly related to and primarily responsible for the decrease in property tax revenue.

Operating grants and contributions increased primarily due to more state and federal funding being received in fiscal year 2020. During fiscal year 2020, the District receive a student wellness and success grant from the State of Ohio. Payments in lieu of taxes (PILOT) revenue consists primarily of an American Greetings PILOT which increased slightly from the prior year. Investment earnings decreased due less monies invested due to spending on the District’s construction projects. This decrease was partially offset by an increase related to fluctuations in the fair value of investments. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value. Increases or decreases to the fair value of investments are reported as a component of interest revenue.

Overall, expenses of the governmental activities increased \$7,457,708 or 13.53%. On an accrual basis, the District reported \$6,202,143 and \$3,046,552 in pension expense for fiscal year 2020 and 2019, respectively. In addition, the District reported (\$970,513) and (\$6,763,803) in OPEB expense for fiscal year 2020 and 2019, respectively. The net increase in the combined pension expense and the OPEB expense from fiscal year 2019 to fiscal year 2020 was \$8,948,881. This net increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities.

The graph below presents the District’s governmental activities revenue and expenses for fiscal year 2020 and 2019. Amounts for fiscal year 2019 have been restated to reflect the implementation of GASB 84 (see Note 3).



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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. Certain amounts for fiscal year 2019 have been restated to reflect the implementation of GASB 84 (see Note 3).

Governmental Activities

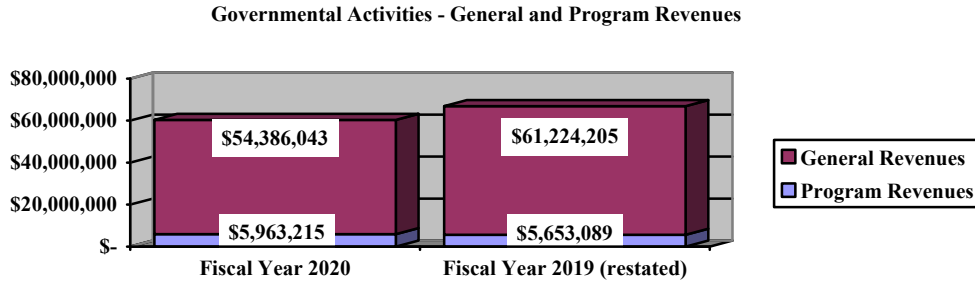
	Total Cost of Services 2020	Net Cost of Services 2020	Restated Total Cost of Services 2019	Restated Net Cost of Services 2019
Program expenses				
Instruction:				
Regular	\$ 23,395,548	\$ 22,763,561	\$ 18,882,246	\$ 18,307,866
Special	9,151,779	7,671,951	7,299,040	6,365,096
Vocational	1,175,309	1,168,205	1,096,291	1,089,187
Adult/continuing	1,482	(1,806)	3,463	(3,948)
Other	1,526,721	1,016,835	1,320,022	986,294
Support services:				
Pupil	3,982,479	3,711,039	3,605,224	3,542,835
Instructional staff	1,854,164	1,751,592	1,523,929	1,445,621
Board of education	33,865	33,865	30,789	30,789
Administration	3,016,659	3,004,754	2,573,445	2,568,776
Fiscal	1,303,171	1,303,171	1,167,196	1,167,196
Business	514,954	514,954	489,965	489,965
Operations and maintenance	4,842,154	4,766,396	4,833,938	4,750,723
Pupil transportation	3,422,464	3,222,021	3,280,451	2,995,333
Central	433,994	433,994	778,698	778,698
Operation of non-instructional services:				
Food service operations	1,314,898	366,943	1,235,170	49,404
Other non-instructional services	1,172,911	(70,128)	1,310,251	(51,333)
Extracurricular activities	1,207,083	729,073	1,368,951	633,478
Interest and fiscal charges	4,209,847	4,209,847	4,302,705	4,302,705
Total expenses	<u>\$ 62,559,482</u>	<u>\$ 56,596,267</u>	<u>\$ 55,101,774</u>	<u>\$ 49,448,685</u>

The dependence upon tax and other general revenues for governmental activities is apparent, as 92.53% of instruction activities are supported through taxes, grants and entitlements and other general revenues. For all governmental activities, general revenue support is 90.47%. 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, 2020**

The graph below presents the District's governmental activities revenue for fiscal year 2020 and 2019. Certain amounts for fiscal year 2019 have been restated to reflect the implementation of GASB 84 (see Note 3).



The District's Funds

The District's governmental funds reported a combined fund balance of \$36,838,836, which is lower than last year's total of \$44,806,194 (as restated). The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2020 and 2019. Amounts for fiscal year 2019 have been restated as described in Note 3.

	Fund Balance June 30, 2020	Restated Fund Balance June 30, 2019	Change
General	\$ 25,880,645	\$ 27,646,171	\$ (1,765,526)
Bond Retirement	8,487,473	9,365,592	(878,119)
Building	400,789	5,381,226	(4,980,437)
Other Governmental	2,069,929	2,413,205	(343,276)
Total	<u>\$ 36,838,836</u>	<u>\$ 44,806,194</u>	<u>\$ (7,967,358)</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

General Fund

The District's general fund balance decreased \$1,765,526. 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.

	2020 <u>Amount</u>	2019 <u>Amount</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Taxes and payments in lieu of taxes	\$ 37,673,053	\$ 43,098,810	\$ (5,425,757)	(12.59) %
Tuition	1,154,403	1,067,232	87,171	8.17 %
Earnings on investments	1,034,743	705,198	329,545	46.73 %
Intergovernmental	7,373,400	8,038,110	(664,710)	(8.27) %
Other revenues	<u>1,145,560</u>	<u>790,833</u>	<u>354,727</u>	44.85 %
Total	<u>\$ 48,381,159</u>	<u>\$ 53,700,183</u>	<u>\$ (5,319,024)</u>	(9.91) %
<u>Expenditures</u>				
Instruction	\$ 30,995,758	\$ 30,857,390	138,368	0.45 %
Support services	17,837,753	19,306,903	(1,469,150)	(7.61) %
Other non-instructional services	561,608	695,160	(133,552)	(19.21) %
Extracurricular activities	740,687	981,740	(241,053)	(24.55) %
Facilities acquisition and construction	5,342	9,763	(4,421)	(45.28) %
Debt service	<u>-</u>	<u>97,200</u>	<u>(97,200)</u>	(100.00) %
Total	<u>\$ 50,141,148</u>	<u>\$ 51,948,156</u>	<u>\$ (1,807,008)</u>	(3.48) %

Overall revenues of the general fund decreased \$5,319,024 or 9.91%. The most significant decrease was in the area of property taxes. This decrease is primarily attributed to a decrease of property tax revenues collected by June 30, 2020 and available for advance to the District. Property taxes collected and available to the District are reported as revenue. In response to the COVID-19 pandemic, Cuyahoga County, Ohio received approval from the Ohio Tax Commissioner to extend the due date of the second half 2019 real estate tax payments four weeks making the new due date August 13, 2020. As a result of the extension, the amount of property taxes collected by Cuyahoga County and available as advance to the District at June 30, 2020 decreased. The amounts of taxes collected and available as advance for the general fund were \$2,049,709 and \$7,584,387 at June 30, 2020, and 2019, respectively. These amounts are reported as tax revenue by the District. The decrease in these amounts of \$5,534,678 are directly related to and primarily responsible for the decrease in property tax revenue in the general fund.

Investment earnings increased primarily due to an increase in the fair value of the District's 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 increased due to more refunds (primarily from the Ohio Bureau of Workers' Compensation) and reimbursements received or accrued in fiscal year 2020 versus fiscal year 2019.

Expenditures for instruction remained comparable to the prior year. Support services decreased primarily in operations and maintenance as the District constructed the new elementary campus and expended less on maintaining older buildings. Extracurricular activities decreased due to less student participation in activities due to COVID-19.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Bond Retirement Fund

The bond retirement fund had \$5,914,610 in revenues and \$6,792,729 in expenditures. During fiscal 2020, the bond retirement fund's fund balance decreased \$878,119 from \$9,365,592 to \$8,487,473. The District continues to accumulate resources for the future payment of long-term debt obligations.

Building Fund

The building fund had \$163,154 in revenues and \$5,143,591 in expenditures. During fiscal 2020, the building fund's fund balance decreased \$4,980,437 from \$5,381,226 to \$400,789. The District is replacing four aging elementary schools with one new elementary campus.

General Fund Budgeting Highlights

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

During the course of fiscal 2020 the District amended its general fund budget several times. For the general fund, final budgeted revenues and other financing sources were \$50,564,349, which was higher than original budgeted revenues and other financing sources estimate of \$50,537,579. Actual revenues and other financing sources for fiscal 2020 were \$53,574,254. This is an increase of \$3,009,905 from final budgeted revenues and other financing sources which is primarily due to conservative budgeting of property tax receipts and intergovernmental receipts from the State of Ohio.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$54,799,591 were decreased to \$51,572,498 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2020 totaled \$51,369,703, which was \$202,795 lower than the final budget appropriations

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2020, the District had \$141,430,380 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 2020 balances compared to 2019:

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

	Governmental Activities	
	2020	2019
Land	\$ 2,576,787	\$ 2,576,787
Construction in progress	-	29,857,075
Land improvements	217,374	238,990
Buildings and improvements	135,396,202	102,662,123
Furniture and equipment	1,810,750	1,901,302
Vehicles	1,429,267	1,555,097
Total	\$ 141,430,380	\$ 138,791,374

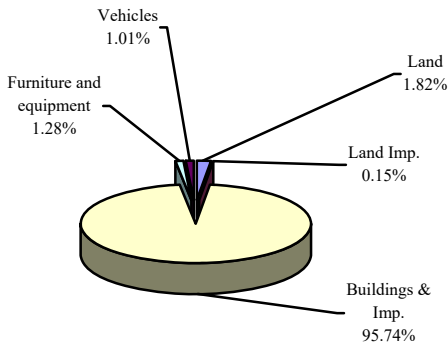
**WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

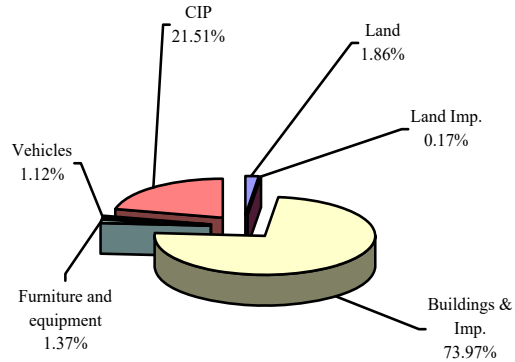
The overall increase in capital assets of \$2,639,006 is primarily due to additions of \$6,402,921 exceeding depreciation expense of \$3,757,995 and disposals of \$5,920 (net of accumulated depreciation). During fiscal year 2020, the District completed the new elementary campus.

The graphs below present the District's capital assets for fiscal 2020 and fiscal 2019.

Governmental Activities - 2020



Governmental Activities - 2019



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

Debt Administration

At June 30, 2020, the District had \$105,323,632 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, \$2,515,000 is due within one year and \$102,808,632 is due in more than one year. The following table summarizes the bonds outstanding:

Outstanding Debt, at Year End

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>
Current interest bonds	\$ 52,160,000	\$ 54,540,000
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>238,632</u>	<u>199,512</u>
Total	<u>\$ 105,323,632</u>	<u>\$ 107,664,512</u>

The District made \$2,380,000 in principal payments on the current interest bonds during fiscal year 2020. The capital appreciation bonds accreted \$39,120 in interest during 2020.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Current Financial Related Activities

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

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

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

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

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

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

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to report the District's accountability for the money it receives. If you have questions about this report or need additional financial information please contact: Todd Hopkins, Chief Financial Officer/Treasurer, Westlake City School District, 24525 Hilliard Boulevard, Westlake, Ohio 44145. Or if you prefer, you may email inquiries to: HopkinsT@wlake.org.

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

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 41,297,752
Receivables:	
Property taxes	52,805,930
Accounts.	48,704
Accrued interest	64,329
Intergovernmental	1,403,724
Prepayments	90,452
Materials and supplies inventory.	32,522
Inventory held for resale.	16,468
Net OPEB asset (Note 14)	3,257,304
Capital assets:	
Nondepreciable capital assets	2,576,787
Depreciable capital assets, net	138,853,593
Capital assets, net	141,430,380
Total assets.	240,447,565
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	707,765
Pension (Note 13)	10,385,674
OPEB (Note 14)	1,066,073
Total deferred outflows of resources	12,159,512
Liabilities:	
Accounts payable.	423,070
Contracts payable.	269,470
Retainage payable	563,166
Accrued wages and benefits payable	5,621,865
Intergovernmental payable	139,388
Pension and postemployment benefits payable	757,807
Accrued interest payable	643,765
Unearned revenue	14,800
Long-term liabilities:	
Due within one year.	2,945,945
Due in more than one year:	
Net pension liability (Note 13)	59,084,287
Net OPEB liability (Note 14)	6,604,233
Other amounts due in more than one year	110,334,551
Total liabilities	187,402,347
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	47,970,503
Pension (Note 13)	5,190,180
OPEB (Note 14)	6,513,332
Total deferred inflows of resources	59,674,015
Net position:	
Net investment in capital assets	32,523,025
Restricted for:	
Capital projects	2,280,423
Debt service.	7,902,022
Locally funded programs	198,112
State funded programs.	333,255
Federally funded programs	456,517
Student activities	397,208
Other purposes	184,715
Unrestricted (deficit)	(38,744,562)
Total net position (deficit).	\$ 5,530,715

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, 2020

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
Instruction:				
Regular	\$ 23,395,548	\$ 538,053	\$ 93,934	\$ (22,763,561)
Special	9,151,779	115,162	1,364,666	(7,671,951)
Vocational	1,175,309	-	7,104	(1,168,205)
Adult/continuing.	1,482	-	3,288	1,806
Other	1,526,721	-	509,886	(1,016,835)
Support services:				
Pupil.	3,982,479	-	271,440	(3,711,039)
Instructional staff	1,854,164	-	102,572	(1,751,592)
Board of education	33,865	-	-	(33,865)
Administration.	3,016,659	-	11,905	(3,004,754)
Fiscal.	1,303,171	-	-	(1,303,171)
Business.	514,954	-	-	(514,954)
Operations and maintenance	4,842,154	60,364	15,394	(4,766,396)
Pupil transportation.	3,422,464	49,668	150,775	(3,222,021)
Central	433,994	-	-	(433,994)
Operation of non-instructional services				
Food service operations	1,314,898	666,694	281,261	(366,943)
Other non-instructional services	1,172,911	479,751	763,288	70,128
Extracurricular activities.	1,207,083	384,540	93,470	(729,073)
Interest and fiscal charges	4,209,847	-	-	(4,209,847)
Total governmental activities	\$ 62,559,482	\$ 2,294,232	\$ 3,668,983	(56,596,267)
General revenues:				
Property taxes levied for				
General purposes				37,908,112
Debt service.				5,225,617
Capital outlay.				960,682
Payments in lieu of taxes.				687,567
Grants and entitlements not restricted				
to specific programs				7,624,720
Investment earnings				1,171,048
Gain on sale of assets				27,896
Miscellaneous				780,401
Total general revenues				54,386,043
Change in net position				(2,210,224)
Net position				
at beginning of year (restated)				7,740,939
Net position at end of year.				\$ 5,530,715

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 29,307,187	\$ 7,301,200	\$ 972,372	\$ 3,716,993	\$ 41,297,752
Receivables:					
Property taxes	45,113,159	6,505,052	-	1,187,719	52,805,930
Accounts	19,234	-	-	29,470	48,704
Accrued interest	64,329	-	-	-	64,329
Interfund loans	646,820	900,000	-	-	1,546,820
Intergovernmental	449,251	-	-	954,473	1,403,724
Prepayments	90,452	-	-	-	90,452
Materials and supplies inventory	25,439	-	-	7,083	32,522
Inventory held for resale	-	-	-	16,468	16,468
Total assets	<u>\$ 75,715,871</u>	<u>\$ 14,706,252</u>	<u>\$ 972,372</u>	<u>\$ 5,912,206</u>	<u>\$ 97,306,701</u>
Liabilities:					
Accounts payable	\$ 308,997	\$ -	\$ 8,417	\$ 105,656	\$ 423,070
Contracts payable	-	-	-	269,470	269,470
Retainage payable	-	-	563,166	-	563,166
Accrued wages and benefits payable	5,459,490	-	-	162,375	5,621,865
Compensated absences payable	96,462	-	-	6,218	102,680
Intergovernmental payable	122,976	-	-	16,412	139,388
Pension and postemployment benefits payable	724,270	-	-	33,537	757,807
Interfund loans payable	-	-	-	1,546,820	1,546,820
Unearned revenue	14,800	-	-	-	14,800
Total liabilities	<u>6,726,995</u>	<u>-</u>	<u>571,583</u>	<u>2,140,488</u>	<u>9,439,066</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	40,964,931	5,921,833	-	1,083,739	47,970,503
Delinquent property tax revenue not available	2,098,519	296,946	-	50,895	2,446,360
Intergovernmental revenue not available	114	-	-	565,241	565,355
Interest revenue not available	40,945	-	-	-	40,945
Miscellaneous revenue not available	3,722	-	-	1,914	5,636
Total deferred inflows of resources	<u>43,108,231</u>	<u>6,218,779</u>	<u>-</u>	<u>1,701,789</u>	<u>51,028,799</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory	25,439	-	-	7,083	32,522
Prepays	90,452	-	-	-	90,452
Scholarship endowment	-	-	-	13,563	13,563
Restricted:					
Debt service	-	8,487,473	-	-	8,487,473
Capital improvements	-	-	400,789	996,103	1,396,892
Food service operations	-	-	-	124,046	124,046
Non-public schools	-	-	-	192,545	192,545
Extracurricular	-	-	-	396,094	396,094
Other purposes	-	-	-	305,175	305,175
Student wellness	-	-	-	130,297	130,297
Committed:					
Capital improvements	8,693	-	-	-	8,693
Health insurance	1,160,000	-	-	-	1,160,000
Assigned:					
Student instruction	177,271	-	-	-	177,271
Student and staff support	651,194	-	-	-	651,194
Extracurricular activities	5	-	-	-	5
School supplies	132,285	-	-	-	132,285
Subsequent year appropriations	1,582,761	-	-	-	1,582,761
Unassigned (deficit)	22,052,545	-	-	(94,977)	21,957,568
Total fund balances	<u>25,880,645</u>	<u>8,487,473</u>	<u>400,789</u>	<u>2,069,929</u>	<u>36,838,836</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 75,715,871</u>	<u>\$ 14,706,252</u>	<u>\$ 972,372</u>	<u>\$ 5,912,206</u>	<u>\$ 97,306,701</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, 2020

Total governmental fund balances		\$	36,838,836
<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.			141,430,380
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	2,446,360	
Accounts receivable		40,945	
Accrued interest receivable		5,636	
Intergovernmental receivable		565,355	
Total		565,355	3,058,296
Unamortized premiums on bonds issued are not recognized in the funds.			(3,285,484)
Unamortized deferred amounts on debt refundings are not recognized in the funds.			707,765
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(643,765)
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		10,385,674	
Deferred Inflows - Pension		(5,190,180)	
Net pension liability		(59,084,287)	
Total		(59,084,287)	(53,888,793)
The net OPEB liability/asset is not due and payable in the current period; therefore, liability/asset and related deferred inflows and outflows are not reported in the funds.			
Net OPEB asset		3,257,304	
Deferred outflows - OPEB		1,066,073	
Deferred Inflows - OPEB		(6,513,332)	
Net OPEB liability		(6,604,233)	
Total		(6,604,233)	(8,794,188)
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		(105,323,632)	
Capital lease obligations		(412,000)	
Compensated absences		(4,156,700)	
Total		(109,892,332)	(109,892,332)
Net position (deficit) of governmental activities		\$	5,530,715

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, 2020

	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Property taxes	\$ 36,985,486	\$ 5,104,656	\$ -	\$ 939,619	\$ 43,029,761
Payment in lieu of taxes	687,567	-	-	-	687,567
Tuition	968,290	-	-	-	968,290
Transportation fees	49,877	-	-	-	49,877
Earnings on investments	1,034,743	-	163,154	2,268	1,200,165
Charges for services	-	-	-	666,394	666,394
Extracurricular	90,383	-	-	265,298	355,681
Classroom materials and fees	136,236	-	-	27,319	163,555
Rental income	60,364	-	-	-	60,364
Contributions and donations	29,714	-	-	110,294	140,008
Contract services	27,309	-	-	-	27,309
Other local revenues	937,790	32,264	-	12,915	982,969
Intergovernmental - state	7,215,011	505,911	-	878,289	8,599,211
Intergovernmental - federal	158,389	271,779	-	1,600,936	2,031,104
Total revenues	48,381,159	5,914,610	163,154	4,503,332	58,962,255
Expenditures:					
Current:					
Instruction:					
Regular	20,670,552	-	-	73,938	20,744,490
Special	8,040,366	-	-	762,883	8,803,249
Vocational	1,126,304	-	-	-	1,126,304
Adult/continuing	-	-	-	1,482	1,482
Other	1,158,536	-	-	376,204	1,534,740
Support services:					
Pupil	3,703,506	-	-	124,760	3,828,266
Instructional staff	1,578,972	-	-	77,861	1,656,833
Board of education	33,634	-	-	-	33,634
Administration	2,826,872	12,409	-	11,747	2,851,028
Fiscal	1,198,586	69,664	-	12,722	1,280,972
Business	521,877	-	-	-	521,877
Operations and maintenance	4,490,194	-	13,000	17,358	4,520,552
Pupil transportation	3,119,666	-	-	49,455	3,169,121
Central	364,446	-	-	130,875	495,321
Operation of non-instructional services:					
Food service operations	-	-	-	1,109,248	1,109,248
Other non-instructional services	561,608	-	-	589,967	1,151,575
Extracurricular activities	740,687	-	-	366,603	1,107,290
Facilities acquisition and construction	5,342	-	5,130,591	1,037,803	6,173,736
Debt service:					
Principal retirement	-	2,380,000	-	131,000	2,511,000
Interest and fiscal charges	-	4,330,656	-	12,055	4,342,711
Total expenditures	50,141,148	6,792,729	5,143,591	4,885,961	66,963,429
Excess of revenues over (under) expenditures	(1,759,989)	(878,119)	(4,980,437)	(382,629)	(8,001,174)
Other financing sources (uses):					
Sale of capital assets	33,816	-	-	-	33,816
Transfers in	-	-	-	39,353	39,353
Transfers (out)	(39,353)	-	-	-	(39,353)
Total other financing sources (uses)	(5,537)	-	-	39,353	33,816
Net change in fund balances	(1,765,526)	(878,119)	(4,980,437)	(343,276)	(7,967,358)
Fund balances					
at beginning of year (restated)	27,646,171	9,365,592	5,381,226	2,413,205	44,806,194
Fund balances at end of year	\$ 25,880,645	\$ 8,487,473	\$ 400,789	\$ 2,069,929	\$ 36,838,836

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, 2020

Net change in fund balances - total governmental funds	\$	(7,967,358)
<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	\$ 6,402,921	
Current year depreciation	(3,757,995)	
Total		2,644,926
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(5,920)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes	1,064,650	
Contributions and donations	1,114	
Transportation fees	715	
Other local revenue	836	
Earnings on investments	(28,612)	
Extracurricular	1,540	
Classroom materials and fees	1,131	
Charges for services	300	
Intergovernmental	317,433	
Total		1,359,107
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	2,380,000	
Capital leases	131,000	
Total		2,511,000
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	2,357	
Accreted interest on capital appreciation bonds	(39,120)	
Amortization of bond premiums	227,862	
Amortization of deferred charges	(58,235)	
Total		132,864
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		4,527,206
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(6,202,143)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		107,144
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		
		970,513
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.		
		(287,563)
Change in net position of governmental activities	\$	(2,210,224)

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 40,110,053	\$ 40,131,299	\$ 42,520,164	\$ 2,388,865
Payment in lieu of taxes	648,595	648,938	687,567	38,629
Tuition	415,855	416,076	440,843	24,767
Transportation fees	46,641	46,666	49,444	2,778
Earnings on investments	657,310	657,658	696,806	39,148
Extracurricular	82,538	82,581	87,497	4,916
Rental income	61,393	61,426	65,082	3,656
Contract services	25,761	25,775	27,309	1,534
Other local revenues	413,561	413,780	438,411	24,631
Intergovernmental - state	6,841,015	6,844,638	7,252,074	407,436
Intergovernmental - federal	83,925	83,970	88,968	4,998
Total revenues	<u>49,386,647</u>	<u>49,412,807</u>	<u>52,354,165</u>	<u>2,941,358</u>
Expenditures:				
Current:				
Instruction:				
Regular	21,883,684	20,989,110	20,988,373	737
Special	8,261,027	7,987,675	7,987,675	-
Vocational	1,070,504	1,125,375	1,125,375	-
Other	1,523,593	1,332,195	1,332,195	-
Support services:				
Pupil	4,137,957	3,844,370	3,844,370	-
Instructional staff	1,903,789	1,581,394	1,581,394	-
Board of education	31,201	34,323	34,323	-
Administration	3,139,768	2,808,350	2,808,350	-
Fiscal	1,311,748	1,293,495	1,202,179	91,316
Business	635,841	522,824	522,824	-
Operations and maintenance	5,580,930	4,830,041	4,830,041	-
Pupil transportation	3,752,617	3,208,781	3,208,781	-
Central	498,400	412,243	412,243	-
Operation of non-instructional services:				
Other non-instructional services	41,730	12,990	12,990	-
Extracurricular activities	949,530	757,114	646,372	110,742
Facilities acquisition and construction	67,272	5,341	5,341	-
Total expenditures	<u>54,789,591</u>	<u>50,745,621</u>	<u>50,542,826</u>	<u>202,795</u>
Excess of revenues over (under) expenditures	<u>(5,402,944)</u>	<u>(1,332,814)</u>	<u>1,811,339</u>	<u>3,144,153</u>
Other financing sources (uses):				
Refund of prior year's expenditures	814,182	814,613	863,104	48,491
Transfers (out)	(10,000)	(114,353)	(114,353)	-
Advances in	304,851	305,013	323,169	18,156
Advances (out)	-	(712,524)	(712,524)	-
Sale of capital assets	31,899	31,916	33,816	1,900
Total other financing sources (uses)	<u>1,140,932</u>	<u>324,665</u>	<u>393,212</u>	<u>68,547</u>
Net change in fund balance	(4,262,012)	(1,008,149)	2,204,551	3,212,700
Fund balance at beginning of year	24,210,004	24,210,004	24,210,004	-
Prior year encumbrances appropriated	1,299,123	1,299,123	1,299,123	-
Fund balance at end of year	\$ 21,247,115	\$ 24,500,978	\$ 27,713,678	\$ 3,212,700

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2020

	<u>Custodial</u>
Assets:	
Equity in pooled cash and investments	\$ 104,093
Net position:	
Restricted for other organizations	<u>\$ 104,093</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Custodial
Additions:	
Collections for the Ohio High School	
Athletic Association.	\$ 19,430
Collections for Westlake Alumni Organizations.	12,746
Total additions.	32,176
 Deductions:	
Distributions to the Ohio High School	
Athletic Association	19,430
Distributions to Westlake Alumni Organizations.	11,799
Total deductions	31,229
Change in net position	947
Net position at beginning of year (restated)	103,146
Net position at end of year	\$ 104,093

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, 2020**

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 240 non-teaching and support staff employees who provide services to 3,401 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, 2020**

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 \$88,317 to Connect during fiscal year 2020. Connect is governed by a four-member Board of Directors consisting of the Superintendent of the Educational Service Center of Northeast Ohio, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County, and the Executive Director of the Ohio Schools Council. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Northeast Ohio, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

Ohio Schools Council Association

The Ohio Schools’ Council Association (Council) is a jointly governed organization among 254 school districts, educational service centers, joint vocational districts, and Developmental Disabilities boards in 34 Ohio counties. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. The Council’s Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2020, the District paid \$1,645 to the Council for general program and safety program annual membership. 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, 2020**

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 161 program members in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). School districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and school districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The District participates in the Council's Power4Schools electric purchase program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for either a two-year period or an eight and one-half year period depending upon electric generation area. There are currently 185 program members in the program. FirstEnergy Solutions has been selected as the supplier for the program. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to the actual usage for the year and any necessary adjustments are made.

INSURANCE PURCHASING POOL

Suburban Health Consortium

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial funds accounts for Ohio High School Athletic Association activity and for monies held on behalf of Westlake Alumni Organizations.

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, 2020**

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 custodial funds are 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.

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, 2020**

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

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

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

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 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, 2020

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

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

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

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

E. Budgetary Process

All funds, other than custodial 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, 2020**

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

During fiscal year 2020, investments were limited to Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, negotiable certificates of deposit (negotiable CD's), commercial paper, U.S. Treasury bills, U.S. government money market mutual funds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value which is based on quoted market prices.

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

For fiscal year 2020, 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 2020 amounted to \$1,034,743 which includes \$313,671 assigned from other District funds.

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

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

G. Inventory

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020**

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, 2020, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

M. Net Position

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

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

N. Fund Balance

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

O. Estimates

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

P. Pensions/Other Postemployment Benefits (OPEB)

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2020.

R. Interfund Activity

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

S. Nonpublic Schools

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

T. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepayments using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed. Fund balance has been presented as nonspendable equal to the balance of the prepayment at fiscal year-end.

U. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2020, the District has implemented GASB Statement No. 84, "*Fiduciary Activities*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds or private-purpose trust funds. The District reviewed its agency funds and private-purpose trust funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District's financial statements.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Restatement of Net Position and Fund Balances

The implementation of GASB 84 had the following effect on fund balance as reported at June 30, 2019:

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance as previously reported	\$ 27,646,171	\$ 9,365,592	\$ 5,381,226	\$ 2,119,668	\$ 44,512,657
GASB Statement No. 84	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,537</u>	<u>293,537</u>
Restated Fund Balance, at June 30, 2019	<u>\$ 27,646,171</u>	<u>\$ 9,365,592</u>	<u>\$ 5,381,226</u>	<u>\$ 2,413,205</u>	<u>\$ 44,806,194</u>

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at June 30, 2019:

	<u>Governmental Activities</u>
Net position as previously reported	\$ 7,447,402
GASB Statement No. 84	<u>293,537</u>
Restated net position at June 30, 2019	<u>\$ 7,740,939</u>

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of \$103,146.

In addition, related to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds or private-purpose trust funds. At June 30, 2019, agency funds reported assets and liabilities of \$294,083 and the private-purpose trust funds reported net position of \$105,945.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balances

Fund balances at June 30, 2020 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
IDEA Part B	\$ 34,943
Title III - Limited English Proficiency	800
Title I	50,821
IDEA Part B - Preschool Stimulus	5,283
Improving Teacher Quality	3,130
	<u>\$ 94,977</u>

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (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.

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. Except as noted above, 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.

A. Deposits with Financial Institutions

At June 30, 2020, the carrying amount of all District deposits was \$11,693,836 and the bank balance of all District deposits was \$12,528,879. Of the bank balance, \$500,000 was covered by the FDIC and \$12,028,879 was collateralized through the OPCS.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the District's financial institutions collateralized the District's deposits at a rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2020, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater Than 24 months
<i>Fair Value:</i>						
FHLB	\$ 1,507,860	\$ -	\$ -	\$ -	\$ -	\$ 1,507,860
FHLB - discount notes	699,174	-	699,174	-	-	-
FFCB	1,901,936	-	-	-	400,016	1,501,920
FFCB - discount notes	998,710	-	998,710	-	-	-
FHLMC	2,926,464	-	-	-	2,000,150	926,314
FNMA	1,904,982	904,842	-	-	-	1,000,140
Negotiable CD's	11,765,443	1,243,880	1,706,930	1,011,270	2,550,695	5,252,668
Commercial paper	6,267,391	4,521,322	1,746,069	-	-	-
U.S. Treasury bills	1,179,965	1,179,965	-	-	-	-
U.S. government money market mutual funds	443,271	443,271	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	112,813	112,813	-	-	-	-
Total	\$ 29,708,009	\$ 8,406,093	\$ 5,150,883	\$ 1,011,270	\$ 4,950,861	\$ 10,188,902

The weighted average maturity of investments is 1.60 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLB, FFCB, FHLMC, and FNMA), commercial paper, U.S. Treasury bills, 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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2020:

Measurement/ Investment type	Measurement Value	% of Total
<i>Fair Value:</i>		
FHLB	\$ 1,507,860	5.08
FHLB - discount notes	699,174	2.35
FFCB	1,901,936	6.40
FFCB - discount notes	998,710	3.36
FHLMC	2,926,464	9.85
FNMA	1,904,982	6.41
Negotiable CD's	11,765,443	39.60
Commercial paper	6,267,391	21.10
U.S. Treasury bills	1,179,965	3.97
U.S. government money market mutual funds	443,271	1.50
<i>Amortized Cost:</i>		
STAR Ohio	112,813	0.38
	<u>\$ 29,708,009</u>	<u>100.00</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 11,693,836
Investments	<u>29,708,009</u>
Total	<u>\$ 41,401,845</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 41,297,752
Custodial funds	<u>104,093</u>
Total	<u>\$ 41,401,845</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable consisted of the following at June 30, 2020, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 646,820
Bond retirement	Nonmajor governmental funds	<u>900,000</u>
Total		<u>\$ 1,546,820</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. The interfund receivable in the general fund represents \$646,820 loaned from the general fund to nonmajor governmental funds. In addition, the District has \$900,000 in manuscript debt from the bond retirement fund to the permanent improvement fund (a nonmajor governmental fund). The debt provided temporary funding for constructing, renovating, remodeling, adding to, furnishing, equipping, and otherwise improving District buildings and facilities until funds are received. The manuscript debt has a maturity date of April 1, 2024 and bears an annual interest rate of 3 percent. Interfund loans between governmental funds are eliminated on the government-wide financial statements.

B. Interfund transfers for the year ended June 30, 2020, consisted of the following, as reported on the fund financial statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 39,353</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, as was seen during fiscal year 2020, State statute permits alternate payment dates to be established as Cuyahoga County received approval from the Ohio Tax Commissioner to extend the due date of the second half 2019 real estate tax payments for 28 days.

Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, 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, 2020, are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was \$2,049,709 in the general fund, \$286,276 in the bond retirement fund, and \$53,085 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2019 was \$7,584,387 in the general fund, \$1,260,783 in the bond retirement fund and \$196,412 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2020 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 6 - PROPERTY TAXES - (Continued)

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 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,547,978,250	98.05	\$ 1,560,431,440	97.95
Public utility personal	<u>30,844,930</u>	<u>1.95</u>	<u>32,709,670</u>	<u>2.05</u>
Total	<u>\$ 1,578,823,180</u>	<u>100.00</u>	<u>\$ 1,593,141,110</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation		\$ 69.90		\$ 69.80

NOTE 7 - RECEIVABLES

Receivables at June 30, 2020 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	\$ 52,805,930
Accounts	48,704
Intergovernmental	1,403,724
Accrued interest	<u>64,329</u>
Total governmental activities	<u>\$ 54,322,687</u>

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

NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE

In fiscal year 2018, the District entered into a capital lease agreement for the acquisition of buses. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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 \$814,000, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2020 was \$407,000 leaving a current book value of \$407,000.

A corresponding liability was recorded in the statement of net position. Principal payments in the 2020 fiscal year totaled \$131,000. This amount is reflected as debt service principal retirement in the 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, 2020.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2021	\$ 143,146
2022	143,172
2023	<u>144,130</u>
Total future required payments	430,448
Less: amount representing interest	<u>(18,448)</u>
Present value of minimum lease payments	<u>\$ 412,000</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year-ended June 30, 2020, was as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,576,787	\$ -	\$ -	\$ 2,576,787
Construction in progress	<u>29,857,075</u>	<u>6,123,802</u>	<u>(35,980,877)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>32,433,862</u>	<u>6,123,802</u>	<u>(35,980,877)</u>	<u>2,576,787</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	359,667	-	-	359,667
Buildings and improvements	136,550,208	35,980,877	-	172,531,085
Furniture and equipment	8,705,956	183,372	(477,144)	8,412,184
Vehicles	4,349,401	95,747	(395,587)	4,049,561
Textbooks and library books	<u>4,170,521</u>	<u>-</u>	<u>-</u>	<u>4,170,521</u>
Total capital assets, being depreciated	<u>154,135,753</u>	<u>36,259,996</u>	<u>(872,731)</u>	<u>189,523,018</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(120,677)	(21,616)	-	(142,293)
Buildings and improvements	(33,888,085)	(3,246,798)	-	(37,134,883)
Furniture and equipment	(6,804,654)	(273,764)	476,984	(6,601,434)
Vehicles	(2,794,304)	(215,817)	389,827	(2,620,294)
Textbooks and library books	<u>(4,170,521)</u>	<u>-</u>	<u>-</u>	<u>(4,170,521)</u>
Total accumulated depreciation	<u>(47,778,241)</u>	<u>(3,757,995)</u>	<u>866,811</u>	<u>(50,669,425)</u>
Governmental activities capital assets, net	<u>\$ 138,791,374</u>	<u>\$ 38,625,803</u>	<u>\$ (35,986,797)</u>	<u>\$ 141,430,380</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 2,186,306
Special	212,364
Vocational	43,531
Support Services:	
Pupil	104,673
Instructional staff	188,244
Administration	110,112
Fiscal	8,106
Business	9,128
Operations and maintenance	287,597
Pupil transportation	226,757
Central	44,693
Operation of non instructional services:	
Food service operations	202,498
Extracurricular activities	<u>133,986</u>
Total depreciation expense	<u>\$ 3,757,995</u>

NOTE 10 - LONG-TERM OBLIGATIONS

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

During fiscal year 2020, the following changes occurred in governmental activities long-term obligations.

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities					
General Obligation bonds:					
School improvements - Series 2010:					
Serial bonds	\$ 1,105,000	\$ -	\$ (1,105,000)	\$ -	\$ -
Unamortized premium	732,345	-	(98,736)	633,609	-
Sinking fund bonds	11,260,000	-	-	11,260,000	1,295,000
School improvements refunding - Series 2011:					
Serial bonds	4,165,000	-	(435,000)	3,730,000	455,000
Unamortized premium	205,776	-	(24,449)	181,327	-
Capital appreciation bonds	180,000	-	-	180,000	-
Accretion on capital appreciation bonds	199,512	39,120	-	238,632	-
School improvements restructuring - Series 2014:					
Serial bonds	2,400,000	-	(490,000)	1,910,000	390,000
School improvements refunding - Series 2014:					
Serial bonds	33,060,000	-	-	33,060,000	-
Term bonds	22,490,000	-	-	22,490,000	-
Unamortized premium	2,125,771	-	(87,062)	2,038,709	-
School improvements - Series 2016:					
Serial bonds	6,370,000	-	(70,000)	6,300,000	100,000
Term bonds	2,685,000	-	-	2,685,000	-
Unamortized premium	351,221	-	(14,385)	336,836	-
School improvements - Series 2017:					
Serial bonds	7,440,000	-	(280,000)	7,160,000	275,000
Term bonds	16,310,000	-	-	16,310,000	-
Unamortized premium	98,233	-	(3,230)	95,003	-
Total general obligation bonds	<u>111,177,858</u>	<u>39,120</u>	<u>(2,607,862)</u>	<u>108,609,116</u>	<u>2,515,000</u>
Net pension liability	58,953,040	131,247	-	59,084,287	-
Net OPEB liability	<u>7,343,143</u>	<u>-</u>	<u>(738,910)</u>	<u>6,604,233</u>	<u>-</u>
Total net pension and net OPEB liabilities	<u>66,296,183</u>	<u>131,247</u>	<u>(738,910)</u>	<u>65,688,520</u>	<u>-</u>
Capital lease obligation	543,000	-	(131,000)	412,000	134,000
Compensated absences	<u>3,940,068</u>	<u>604,949</u>	<u>(285,637)</u>	<u>4,259,380</u>	<u>296,945</u>
Total long-term liabilities	<u>\$ 181,957,109</u>	<u>\$ 775,316</u>	<u>\$ (3,763,409)</u>	<u>\$ 178,969,016</u>	<u>\$ 2,945,945</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

School Improvement Bonds - Series 2010

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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, 2020, the outstanding amount of the refunded bonds is \$4,100,000.

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, 2020, a total of \$238,632 in accreted interest has been recorded on the capital appreciation bonds. The bonds are being retired from the bond retirement fund. The 2011 school improvement refunding bonds are not subject to redemption prior to stated maturity.

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

School Improvement Restructuring Bonds - Series 2014

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

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

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

School Improvement Refunding Bonds - Series 2014

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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, 2020, 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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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.

Future Debt Service Requirements

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2020, are as follows:

<u>Fiscal Year Ending</u>	<u>General Obligation Bonds</u>		<u>Capital Appreciation Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,515,000	\$ 7,622,520	\$ -	\$ -	\$ 2,515,000	\$ 7,622,520
2022	2,090,000	7,584,409	180,000	305,000	2,270,000	7,889,409
2023	2,830,000	7,550,261	-	-	2,830,000	7,550,261
2024	2,895,000	7,512,257	-	-	2,895,000	7,512,257
2025	3,010,000	7,477,193	-	-	3,010,000	7,477,193
2026 - 2030	14,560,000	22,540,693	-	-	14,560,000	22,540,693
2031 - 2035	17,655,000	13,386,429	-	-	17,655,000	13,386,429
2036 - 2040	24,495,000	9,254,808	-	-	24,495,000	9,254,808
2041 - 2045	25,600,000	4,045,859	-	-	25,600,000	4,045,859
2046 - 2050	9,255,000	961,500	-	-	9,255,000	961,500
Total	<u>\$ 104,905,000</u>	<u>\$ 87,935,929</u>	<u>\$ 180,000</u>	<u>\$ 305,000</u>	<u>\$ 105,085,000</u>	<u>\$ 88,240,929</u>

Net Pension Liability

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

Net OPEB Liability/Asset

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

Capital Lease Obligation

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

Compensated Absences

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2020, are a voted debt margin of \$46,785,173 including available funds of \$8,487,473 and an unvoted debt margin of \$1,593,141.

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Insurance Benefits

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 2020, 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.

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 2020, 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 2020, 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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

Age and service requirements for retirement are as follows:

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was \$1,141,620 for fiscal year 2020. Of this amount, \$72,578 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2020, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$3,385,586 for fiscal year 2020. Of this amount, \$578,304 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2019, 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	0.26270410%	0.19969065%	
Proportion of the net pension liability current measurement date	<u>0.26060070%</u>	<u>0.19666865%</u>	
Change in proportionate share	<u>-0.00210340%</u>	<u>-0.00302200%</u>	
Proportionate share of the net pension liability	\$ 15,592,197	\$ 43,492,090	\$ 59,084,287
Pension expense	\$ 2,099,219	\$ 4,102,924	\$ 6,202,143

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 395,383	\$ 354,100	\$ 749,483
Changes of assumptions	-	5,108,985	5,108,985
Contributions subsequent to the measurement date	<u>1,141,620</u>	<u>3,385,586</u>	<u>4,527,206</u>
Total deferred outflows of resources	<u>\$ 1,537,003</u>	<u>\$ 8,848,671</u>	<u>\$ 10,385,674</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 188,270	\$ 188,270
Net difference between projected and actual earnings on pension plan investments	200,144	2,125,656	2,325,800
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>153,257</u>	<u>2,522,853</u>	<u>2,676,110</u>
Total deferred inflows of resources	<u>\$ 353,401</u>	<u>\$ 4,836,779</u>	<u>\$ 5,190,180</u>

\$4,527,206 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, 2021.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Fiscal Year Ending June 30:	SERS	STRS	Total
2021	\$ 305,687	\$ 1,485,371	\$ 1,791,058
2022	(363,893)	(330,544)	(694,437)
2023	(13,320)	(643,417)	(656,737)
2024	113,508	114,896	228,404
Total	<u>\$ 41,982</u>	<u>\$ 626,306</u>	<u>\$ 668,288</u>

Actuarial Assumptions - SERS

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

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

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, 2019, are presented below:

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 21,850,242	\$ 15,592,197	\$ 10,344,043

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	July 1, 2019
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**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% as of June 30, 2019. 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, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 63,558,844	\$ 43,492,090	\$ 26,504,555

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - School Employees Retirement System (SERS)

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was \$107,144.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$107,144 for fiscal year 2020. Of this amount, \$107,144 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - 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, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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/asset prior measurement date	0.26468740%	0.19969065%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.26261570%</u>	<u>0.19666865%</u>	
Change in proportionate share	<u>-0.00207170%</u>	<u>-0.00302200%</u>	
Proportionate share of the net OPEB liability	\$ 6,604,233	\$ -	\$ 6,604,233
Proportionate share of the net OPEB asset	\$ -	\$ 3,257,304	\$ 3,257,304
OPEB expense	\$ 128,167	\$ (1,098,680)	\$ (970,513)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 96,945	\$ 295,299	\$ 392,244
Net difference between projected and actual earnings on OPEB plan investments	15,853	-	15,853
Changes of assumptions	482,364	68,468	550,832
Contributions subsequent to the measurement date	<u>107,144</u>	<u>-</u>	<u>107,144</u>
Total deferred outflows of resources	<u>\$ 702,306</u>	<u>\$ 363,767</u>	<u>\$ 1,066,073</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,450,905	\$ 165,719	\$ 1,616,624
Net difference between projected and actual earnings on OPEB plan investments	-	204,580	204,580
Changes of assumptions	370,081	3,571,257	3,941,338
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>325,977</u>	<u>424,813</u>	<u>750,790</u>
Total deferred inflows of resources	<u>\$ 2,146,963</u>	<u>\$ 4,366,369</u>	<u>\$ 6,513,332</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

\$107,144 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2021	\$ (460,039)	\$ (878,968)	\$ (1,339,007)
2022	(262,980)	(878,966)	(1,141,946)
2023	(258,327)	(796,974)	(1,055,301)
2024	(259,085)	(768,213)	(1,027,298)
2025	(220,395)	(685,951)	(906,346)
Thereafter	(90,975)	6,470	(84,505)
Total	\$ (1,551,801)	\$ (4,002,602)	\$ (5,554,403)

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
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2019 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 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 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. 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 (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 8,016,286	\$ 6,604,233	\$ 5,481,485

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 5,291,328	\$ 6,604,233	\$ 8,346,139

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

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

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

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2018.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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	1.00	2.25
Total	<u>100.00 %</u>	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**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 asset was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,779,461	\$ 3,257,304	\$ 3,659,060
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,693,634	\$ 3,257,304	\$ 2,722,907

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. On November 27, 2020, ODE's adjustment to the District's foundation funding resulted in the District receiving \$48,825. This is immaterial to the District and was not posted to the basic financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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	\$ 709,808
Building	477,862
Other governmental	<u>1,017,990</u>
Total	<u>\$ 2,205,660</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, 2019	\$ -
Current year set-aside requirement	599,225
Current year qualifying expenditures	<u>(858,540)</u>
Total	<u>\$ (259,315)</u>
Balance carried forward to fiscal year 2021	<u>\$ -</u>
Set-aside balance June 30, 2020	<u>\$ -</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 2,204,551
Net adjustment for revenue accruals	(4,620,746)
Net adjustment for expenditure accruals	312,678
Net adjustment for other sources/uses	(473,749)
Funds budgeted elsewhere	37,658
Adjustment for encumbrances	774,082
GAAP basis	\$ (1,765,526)

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, 2020**

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 \$91,909 in fiscal year 2020. 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.

NOTE 21 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District’s investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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 SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.26060070%	0.26270410%	0.26905890%	0.27119170%
District's proportionate share of the net pension liability	\$ 15,592,197	\$ 15,045,550	\$ 16,075,675	\$ 19,848,730
District's covered payroll	\$ 9,118,733	\$ 8,780,785	\$ 8,748,650	\$ 8,365,800
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.99%	171.35%	183.75%	237.26%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.28263580%	0.27893800%	0.27893800%
\$ 16,127,473	\$ 14,116,893	\$ 16,587,548
\$ 8,508,816	\$ 8,105,375	\$ 8,292,471
189.54%	174.17%	200.03%
69.16%	71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.19666865%	0.19969065%	0.20472312%	0.21316412%
District's proportionate share of the net pension liability	\$ 43,492,090	\$ 43,907,490	\$ 48,632,416	\$ 71,352,456
District's covered payroll	\$ 22,922,336	\$ 22,952,614	\$ 22,400,429	\$ 22,329,993
District's proportionate share of the net pension liability as a percentage of its covered payroll	189.74%	191.30%	217.10%	319.54%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.21933350%	0.23516789%	0.23516789%
\$ 60,617,364	\$ 57,200,969	\$ 68,137,421
\$ 22,883,779	\$ 24,027,662	\$ 25,656,777
264.89%	238.06%	265.57%
72.10%	74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,141,620	\$ 1,231,029	\$ 1,185,406	\$ 1,224,811
Contributions in relation to the contractually required contribution	<u>(1,141,620)</u>	<u>(1,231,029)</u>	<u>(1,185,406)</u>	<u>(1,224,811)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,154,429	\$ 9,118,733	\$ 8,780,785	\$ 8,748,650
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014	2013	2012	2011
\$ 1,171,212	\$ 1,121,462	\$ 1,123,405	\$ 1,147,678	\$ 1,087,963	\$ 1,039,322
<u>(1,171,212)</u>	<u>(1,121,462)</u>	<u>(1,123,405)</u>	<u>(1,147,678)</u>	<u>(1,087,963)</u>	<u>(1,039,322)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,365,800	\$ 8,508,816	\$ 8,105,375	\$ 8,292,471	\$ 8,088,944	\$ 8,268,274
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

**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

	2020	2019	2018	2017
Contractually required contribution	\$ 3,385,586	\$ 3,209,127	\$ 3,213,366	\$ 3,136,060
Contributions in relation to the contractually required contribution	(3,385,586)	(3,209,127)	(3,213,366)	(3,136,060)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 24,182,757	\$ 22,922,336	\$ 22,952,614	\$ 22,400,429
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 3,126,199	\$ 3,203,729	\$ 3,123,596	\$ 3,335,381	\$ 3,261,763	\$ 3,218,832
<u>(3,126,199)</u>	<u>(3,203,729)</u>	<u>(3,123,596)</u>	<u>(3,335,381)</u>	<u>(3,261,763)</u>	<u>(3,218,832)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,329,993	\$ 22,883,779	\$ 24,027,662	\$ 25,656,777	\$ 25,090,485	\$ 24,760,246
14.00%	14.00%	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 FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.26261570%	0.26468740%	0.27375630%	0.27510210%
District's proportionate share of the net OPEB liability	\$ 6,604,233	\$ 7,343,143	\$ 7,346,900	\$ 7,841,427
District's covered payroll	\$ 9,118,733	\$ 8,780,785	\$ 8,748,650	\$ 8,365,800
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	72.42%	83.63%	83.98%	93.73%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.19666865%	0.19969065%	0.20472312%	0.21316412%
District's proportionate share of the net OPEB liability/(asset)	\$ (3,257,304)	\$ (3,208,825)	\$ 7,987,541	\$ 11,400,073
District's covered payroll	\$ 22,922,336	\$ 22,952,614	\$ 22,400,429	\$ 22,329,993
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.21%	13.98%	35.66%	51.05%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.33%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 107,144	\$ 194,088	\$ 178,790	\$ 152,551
Contributions in relation to the contractually required contribution	<u>(107,144)</u>	<u>(194,088)</u>	<u>(178,790)</u>	<u>(152,551)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,154,429	\$ 9,118,733	\$ 8,780,785	\$ 8,748,650
Contributions as a percentage of covered payroll	1.31%	2.13%	2.04%	1.74%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 140,400	\$ 180,055	\$ 117,161	\$ 133,554	\$ 169,897	\$ 237,626
<u>(140,400)</u>	<u>(180,055)</u>	<u>(117,161)</u>	<u>(133,554)</u>	<u>(169,897)</u>	<u>(237,626)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,365,800	\$ 8,508,816	\$ 8,105,375	\$ 8,292,471	\$ 8,088,944	\$ 8,268,274
1.68%	2.12%	1.45%	1.61%	2.10%	2.87%

**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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 24,182,757	\$ 22,922,336	\$ 22,952,614	\$ 22,400,429
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 246,777	\$ 256,568	\$ 250,905	\$ 247,602
-	-	(246,777)	(256,568)	(250,905)	(247,602)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,329,993	\$ 22,883,779	\$ 24,027,662	\$ 25,656,777	\$ 25,090,485	\$ 24,760,246
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2020.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increase the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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

MAJOR FUNDS

General Fund

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

OTHER MAJOR FUNDS

Bond Retirement Fund

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

Building Fund

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 40,110,053	\$ 40,131,299	\$ 42,520,164	\$ 2,388,865
Payment in lieu of taxes	648,595	648,938	687,567	38,629
Tuition	415,855	416,076	440,843	24,767
Transportation fees	46,641	46,666	49,444	2,778
Earnings on investments	657,310	657,658	696,806	39,148
Extracurricular	82,538	82,581	87,497	4,916
Rental income	61,393	61,426	65,082	3,656
Contract services	25,761	25,775	27,309	1,534
Other local revenues	413,561	413,780	438,411	24,631
Intergovernmental - state	6,841,015	6,844,638	7,252,074	407,436
Intergovernmental - federal	83,925	83,970	88,968	4,998
Total revenues	<u>49,386,647</u>	<u>49,412,807</u>	<u>52,354,165</u>	<u>2,941,358</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and wages	14,623,010	14,929,900	14,929,900	-
Fringe benefits	5,482,553	5,205,678	5,205,678	-
Purchased services	707,779	405,548	404,811	737
Supplies	962,487	399,539	399,539	-
Capital outlay	50,855	27,925	27,925	-
Other	57,000	20,520	20,520	-
Total regular	<u>21,883,684</u>	<u>20,989,110</u>	<u>20,988,373</u>	<u>737</u>
Special:				
Salaries and wages	5,297,935	5,283,180	5,283,180	-
Fringe benefits	2,388,707	2,169,048	2,169,048	-
Purchased services	551,587	527,883	527,883	-
Supplies	18,730	7,564	7,564	-
Capital outlay	4,068	-	-	-
Total special	<u>8,261,027</u>	<u>7,987,675</u>	<u>7,987,675</u>	<u>-</u>
Vocational:				
Salaries and wages	139,348	145,038	145,038	-
Fringe benefits	46,356	44,445	44,445	-
Purchased services	884,800	935,892	935,892	-
Total vocational	<u>1,070,504</u>	<u>1,125,375</u>	<u>1,125,375</u>	<u>-</u>
Other:				
Salaries and wages	10,380	34,707	34,707	-
Fringe benefits	14,096	42,569	42,569	-
Purchased services	1,499,117	1,254,919	1,254,919	-
Total other	<u>1,523,593</u>	<u>1,332,195</u>	<u>1,332,195</u>	<u>-</u>
Total instruction	<u>32,738,808</u>	<u>31,434,355</u>	<u>31,433,618</u>	<u>737</u>
Support Services:				
Pupil:				
Salaries and wages	2,119,565	2,208,144	2,208,144	-
Fringe benefits	929,935	898,986	898,986	-
Purchased services	1,036,501	704,791	704,791	-
Supplies	28,856	10,035	10,035	-
Other	23,100	22,414	22,414	-
Total pupil	<u>4,137,957</u>	<u>3,844,370</u>	<u>3,844,370</u>	<u>-</u>

(Continued)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Instructional staff:				
Salaries and wages	\$ 982,396	\$ 937,861	\$ 937,861	\$ -
Fringe benefits	467,520	420,547	420,547	-
Purchased services	168,353	138,275	138,275	-
Supplies	44,004	28,534	28,534	-
Capital outlay	234,766	52,338	52,338	-
Other	6,750	3,839	3,839	-
Total instructional staff	<u>1,903,789</u>	<u>1,581,394</u>	<u>1,581,394</u>	<u>-</u>
Board of Education:				
Salaries and wages	10,199	12,250	12,250	-
Fringe benefits	2,404	2,914	2,914	-
Purchased services	8,200	8,051	8,051	-
Supplies	1,098	1,728	1,728	-
Other	9,300	9,380	9,380	-
Total board of education	<u>31,201</u>	<u>34,323</u>	<u>34,323</u>	<u>-</u>
Administration:				
Salaries and wages	1,713,358	1,594,618	1,594,618	-
Fringe benefits	947,790	849,301	849,301	-
Purchased services	312,980	232,440	232,440	-
Supplies	21,270	9,654	9,654	-
Other	144,370	122,337	122,337	-
Total administration.	<u>3,139,768</u>	<u>2,808,350</u>	<u>2,808,350</u>	<u>-</u>
Fiscal:				
Salaries and wages	408,591	413,625	413,625	-
Fringe benefits	200,666	198,497	198,497	-
Purchased services	30,778	21,120	21,120	-
Supplies	73,566	62,966	3,835	59,131
Capital outlay	32,288	31,988	-	31,988
Other	565,859	565,299	565,102	197
Total fiscal	<u>1,311,748</u>	<u>1,293,495</u>	<u>1,202,179</u>	<u>91,316</u>
Business:				
Salaries and wages	317,748	323,675	323,675	-
Fringe benefits	155,260	153,976	153,976	-
Purchased services	159,367	39,746	39,746	-
Supplies	1,966	3,941	3,941	-
Other	1,500	1,486	1,486	-
Total business.	<u>635,841</u>	<u>522,824</u>	<u>522,824</u>	<u>-</u>

(Continued)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operations and maintenance:				
Salaries and wages	\$ 2,105,045	\$ 1,820,875	\$ 1,820,875	\$ -
Fringe benefits	1,012,426	856,519	856,519	-
Purchased services	2,051,501	1,730,268	1,730,268	-
Supplies	378,643	371,401	371,401	-
Capital outlay	33,315	50,978	50,978	-
Total operations and maintenance	<u>5,580,930</u>	<u>4,830,041</u>	<u>4,830,041</u>	<u>-</u>
Pupil transportation:				
Salaries and wages	2,056,410	1,822,116	1,822,116	-
Fringe benefits	987,106	930,132	930,132	-
Purchased services	337,525	158,152	158,152	-
Supplies	370,076	296,400	296,400	-
Capital outlay	1,500	1,981	1,981	-
Total pupil transportation	<u>3,752,617</u>	<u>3,208,781</u>	<u>3,208,781</u>	<u>-</u>
Central:				
Salaries and wages	250,154	187,983	187,983	-
Fringe benefits	103,833	72,935	72,935	-
Purchased services	141,383	146,287	146,287	-
Supplies	2,388	4,753	4,753	-
Other	642	285	285	-
Total central	<u>498,400</u>	<u>412,243</u>	<u>412,243</u>	<u>-</u>
Total support services	<u>20,992,251</u>	<u>18,535,821</u>	<u>18,444,505</u>	<u>91,316</u>
Operation of non-instructional services:				
Food service operations				
Purchased services	<u>41,730</u>	<u>12,990</u>	<u>12,990</u>	<u>-</u>
Extracurricular activities:				
Salaries and wages	765,860	723,062	644,872	78,190
Fringe benefits	183,670	32,552	-	32,552
Purchased services	-	1,500	1,500	-
Total extracurricular activities	<u>949,530</u>	<u>757,114</u>	<u>646,372</u>	<u>110,742</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Facilities acquisition and construction:				
Site improvement services				
Purchased services	\$ 18,810	\$ -	\$ -	\$ -
Architecture and engineering services:				
Purchased services	7,339	4,110	4,110	-
Building acquisition and construction services:				
Other	2,500	1,231	1,231	-
Building improvement services:				
Capital outlay	38,623	-	-	-
Total facilities acquisition and construction . .	<u>67,272</u>	<u>5,341</u>	<u>5,341</u>	<u>-</u>
Total expenditures	<u>54,789,591</u>	<u>50,745,621</u>	<u>50,542,826</u>	<u>202,795</u>
Excess of revenues over (under) expenditures	<u>(5,402,944)</u>	<u>(1,332,814)</u>	<u>1,811,339</u>	<u>3,144,153</u>
Other financing sources (uses):				
Refund of prior year's expenditures	814,182	814,613	863,104	48,491
Transfers (out)	(10,000)	(114,353)	(114,353)	-
Advances in	304,851	305,013	323,169	18,156
Advances (out)	-	(712,524)	(712,524)	-
Sale of capital assets	31,899	31,916	33,816	1,900
Total other financing sources (uses)	<u>1,140,932</u>	<u>324,665</u>	<u>393,212</u>	<u>68,547</u>
Net change in fund balance	(4,262,012)	(1,008,149)	2,204,551	3,212,700
Fund balance at beginning of year	24,210,004	24,210,004	24,210,004	-
Prior year encumbrances appropriated . . .	1,299,123	1,299,123	1,299,123	-
Fund balance at end of year	<u>\$ 21,247,115</u>	<u>\$ 24,500,978</u>	<u>\$ 27,713,678</u>	<u>\$ 3,212,700</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Property taxes	\$ 6,263,679	\$ 6,079,166	\$ (184,513)
Intergovernmental - state	521,266	505,911	(15,355)
Intergovernmental - federal	280,028	271,779	(8,249)
Total revenues	<u>7,064,973</u>	<u>6,856,856</u>	<u>(208,117)</u>
Expenditures:			
Current:			
Support services:			
Administration:			
Other	27,775	12,410	15,365
Fiscal:			
Other	<u>155,914</u>	<u>69,663</u>	<u>86,251</u>
Total support services	<u>183,689</u>	<u>82,073</u>	<u>101,616</u>
Debt service:			
Principal retirement	5,326,755	2,380,000	2,946,755
Interest and fiscal charges	9,689,671	4,329,356	5,360,315
Bank charges	2,910	1,300	1,610
Total debt service	<u>15,019,336</u>	<u>6,710,656</u>	<u>8,308,680</u>
Total expenditures	<u>15,203,025</u>	<u>6,792,729</u>	<u>8,410,296</u>
Excess of revenues over (under) expenditures	(8,138,052)	64,127	8,202,179
Other financing sources:			
Refund of prior year's expenditures	<u>33,243</u>	<u>32,264</u>	<u>(979)</u>
Net change in fund balance	(8,104,809)	96,391	8,201,200
Fund balance at beginning of year	<u>8,104,809</u>	<u>8,104,809</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,201,200</u>	<u>\$ 8,201,200</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 242,986	\$ 258,277	\$ 15,291
Expenditures:			
Current:			
Support services:			
Operations and maintenance:			
Purchased services	13,479	13,000	479
Facilities acquisition and construction:			
Architecture and engineering services:			
Purchased services	343,163	330,965	12,198
Building acquisition and construction services:			
Purchased services	269,982	260,385	9,597
Capital outlay	12,372,544	11,932,755	439,789
Total building acquisition and construction services	12,642,526	12,193,140	449,386
Other facilities acquisition and construction services:			
Purchased services	27,198	26,232	966
Capital outlay	103,732	100,045	3,687
Total other facilities acquisition and construction services	130,930	126,277	4,653
Total facilities acquisition and construction	13,116,619	12,650,382	466,237
Total expenditures	13,130,098	12,663,382	466,716
Excess of expenditures over revenues	(12,887,112)	(12,405,105)	482,007
Other financing sources:			
Refund of prior year's expenditures	7,014	7,455	441
Net change in fund balance	(12,880,098)	(12,397,650)	482,448
Fund balance at beginning of year	635,980	635,980	-
Prior year encumbrances appropriated	12,244,118	12,244,118	-
Fund balance at end of year	\$ -	\$ 482,448	\$ 482,448

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 community. It includes monies contributed to the District to provide various scholarships for students in which the District has administrative involvement in the award process and the original contribution may be expended for this purpose.

Endowment Fund

This fund accounts for monies contributed to the District to provide various scholarships for students in which the District has administrative involvement in the award process and the original contribution is required to remain intact and only the earnings may be expenses for this purpose.

Professional Development Grant Fund

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

Student Managed Activity Fund

This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program but which the District had administrative involvement in the programs operations.

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.

Student Wellness and Success Fund

This fund accounts for state monies distributed in accordance with ORC section 3317.26, that are restricted for specific purposes related to student wellness including mental health services, services for homeless youth, services for child welfare involved youth, community liaisons, physical health care services, mentoring programs, family engagement and support services, city connects programming, professional development regarding the provision of trauma informed care, and professional development regarding cultural competence.

College Credit Plus Teacher Credential Grant Fund

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

IDEA, Part B Special Education Fund

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

Limited English Proficiency Fund

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

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

Nonmajor Special Revenue Funds - (Continued)

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.

Early Childhood Education Development Fund

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

Improving Teacher Quality Fund

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

Miscellaneous Federal Grants Fund

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

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

Uniform School Supplies Fund

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

Interdistrict Summer School Fund

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

Community Education Fund

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

Public School Support Fund

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

Nonmajor Capital Projects Fund

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

Permanent Improvement Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 1,625,058	\$ 2,091,935	\$ 3,716,993
Receivables:			
Taxes	-	1,187,719	1,187,719
Accounts	8,917	20,553	29,470
Intergovernmental	954,473	-	954,473
Materials and supplies inventory	7,083	-	7,083
Inventory held for resale	16,468	-	16,468
Total assets	<u>\$ 2,611,999</u>	<u>\$ 3,300,207</u>	<u>\$ 5,912,206</u>
Liabilities:			
Accounts payable	\$ 105,656	\$ -	\$ 105,656
Contracts payable	-	269,470	269,470
Accrued wages and benefits	162,375	-	162,375
Compensated absences payable	6,218	-	6,218
Intergovernmental payable	16,412	-	16,412
Pension and postemployment benefits payable	33,537	-	33,537
Interfund loans payable	646,820	900,000	1,546,820
Total liabilities	971,018	1,169,470	2,140,488
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	-	1,083,739	1,083,739
Delinquent property tax revenue not available	-	50,895	50,895
Intergovernmental revenue not available	565,241	-	565,241
Miscellaneous revenue not available	1,914	-	1,914
Total deferred inflows of resources	567,155	1,134,634	1,701,789
Fund Balances:			
Nonspendable:			
Materials and supplies inventory	7,083	-	7,083
Scholarship endowment	13,563	-	13,563
Restricted:			
Capital improvements	-	996,103	996,103
Food service operations	124,046	-	124,046
Non-public schools	192,545	-	192,545
Extracurricular	396,094	-	396,094
Student wellness	130,297	-	130,297
Other purposes	305,175	-	305,175
Unassigned (deficit)	(94,977)	-	(94,977)
Total fund balances	1,073,826	996,103	2,069,929
Total liabilities, deferred inflows and fund balances	<u>\$ 2,611,999</u>	<u>\$ 3,300,207</u>	<u>\$ 5,912,206</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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ -	\$ 939,619	\$ 939,619
Earnings on investments	505	1,763	2,268
Charges for services	666,394	-	666,394
Extracurricular	265,298	-	265,298
Classroom materials and fees.	27,319	-	27,319
Contributions and donations	110,294	-	110,294
Other local revenues	12,661	254	12,915
Intergovernmental - state	864,374	13,915	878,289
Intergovernmental - federal	1,600,936	-	1,600,936
	<hr/>	<hr/>	<hr/>
Total revenue	3,547,781	955,551	4,503,332
Expenditures:			
Current:			
Instruction:			
Regular.	73,938	-	73,938
Special	762,883	-	762,883
Adult/continuing	1,482	-	1,482
Other	376,204	-	376,204
Support services:			
Pupil	124,760	-	124,760
Instructional staff.	77,861	-	77,861
Administration	9,353	2,394	11,747
Fiscal	-	12,722	12,722
Operations and maintenance	17,358	-	17,358
Pupil transportation	-	49,455	49,455
Central	-	130,875	130,875
Operation of non-instructional services:			
Food service operations	1,109,248	-	1,109,248
Other non-instructional services	589,967	-	589,967
Extracurricular activities	361,481	5,122	366,603
Facilities acquisition and construction	53,398	984,405	1,037,803
Debt service:			
Principal retirement.	-	131,000	131,000
Interest and fiscal charges	-	12,055	12,055
	<hr/>	<hr/>	<hr/>
Total expenditures	3,557,933	1,328,028	4,885,961
Excess of expenditures over revenues	(10,152)	(372,477)	(382,629)
Other financing sources:			
Transfers in	39,353	-	39,353
	<hr/>	<hr/>	<hr/>
Net change in fund balances.	29,201	(372,477)	(343,276)
Fund balances at			
beginning of year (restated)	<hr/> <u>1,044,625</u>	<hr/> <u>1,368,580</u>	<hr/> <u>2,413,205</u>
Fund balances at end of year	<hr/> <u>\$ 1,073,826</u>	<hr/> <u>\$ 996,103</u>	<hr/> <u>\$ 2,069,929</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Food Service	Local Grants	Endowment Fund	Professional Development Grant	Student Managed Activity
Assets:					
Equity in pooled cash and investments	\$ 222,945	\$ 67,736	\$ 33,151	\$ 243,808	\$ 201,152
Receivables:					
Accounts	2,700	500	-	-	969
Intergovernmental	10,810	-	-	-	-
Materials and supplies inventory	7,083	-	-	-	-
Inventory held for resale	16,468	-	-	-	-
Total assets	<u>\$ 260,006</u>	<u>\$ 68,236</u>	<u>\$ 33,151</u>	<u>\$ 243,808</u>	<u>\$ 202,121</u>
Liabilities:					
Accounts payable	\$ 340	\$ -	\$ -	\$ 5,274	\$ 308
Accrued wages and benefits	100,117	-	-	-	-
Compensated absences payable	6,218	-	-	-	-
Intergovernmental payable	909	-	-	1,500	-
Pension and postemployment benefits payable	20,993	-	-	1,422	-
Interfund loans payable	-	-	-	37,500	-
Total liabilities	<u>128,577</u>	<u>-</u>	<u>-</u>	<u>45,696</u>	<u>308</u>
Deferred inflows of resources:					
Intergovernmental revenue not available	-	-	-	-	-
Miscellaneous revenue not available	300	500	-	-	969
Total deferred inflows of resources	<u>300</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>969</u>
Fund Balances:					
Nonspendable:					
Materials and supplies inventory	7,083	-	-	-	-
Scholarship endowment	-	-	13,563	-	-
Restricted:					
Food service operations	124,046	-	-	-	-
Non-public schools	-	-	-	-	-
Student wellness	-	-	-	-	-
Extracurricular	-	-	-	-	200,844
Other purposes	-	67,736	19,588	198,112	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>131,129</u>	<u>67,736</u>	<u>33,151</u>	<u>198,112</u>	<u>200,844</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 260,006</u>	<u>\$ 68,236</u>	<u>\$ 33,151</u>	<u>\$ 243,808</u>	<u>\$ 202,121</u>

<u>Athletic and Music</u>	<u>Auxiliary Services</u>	<u>Data Communications Support</u>	<u>Student Wellness and Success Funds</u>	<u>College Credit Plus Teacher Credential Grant</u>	<u>IDEA, Part B Special Education</u>	<u>Limited English Proficiency</u>
\$ 205,335	\$ 258,918	\$ 17,400	\$ 149,100	\$ 2,339	\$ 146,800	\$ 355
3,508	1,222	-	-	-	-	-
-	-	-	-	-	375,699	39,106
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 208,843</u>	<u>\$ 260,140</u>	<u>\$ 17,400</u>	<u>\$ 149,100</u>	<u>\$ 2,339</u>	<u>\$ 522,499</u>	<u>\$ 39,461</u>
\$ 9,633	\$ 59,092	\$ -	\$ 17,303	\$ -	\$ 10,576	\$ -
363	7,557	-	-	-	9,511	-
-	-	-	-	-	-	-
5	64	-	1,500	-	11,784	-
3,447	882	-	-	-	631	-
-	-	-	-	-	263,936	32,760
<u>13,448</u>	<u>67,595</u>	<u>-</u>	<u>18,803</u>	<u>-</u>	<u>296,438</u>	<u>32,760</u>
-	-	-	-	-	261,004	7,501
145	-	-	-	-	-	-
<u>145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,004</u>	<u>7,501</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	192,545	-	-	-	-	-
-	-	-	130,297	-	-	-
195,250	-	-	-	-	-	-
-	-	17,400	-	2,339	-	-
-	-	-	-	-	(34,943)	(800)
<u>195,250</u>	<u>192,545</u>	<u>17,400</u>	<u>130,297</u>	<u>2,339</u>	<u>(34,943)</u>	<u>(800)</u>
<u>\$ 208,843</u>	<u>\$ 260,140</u>	<u>\$ 17,400</u>	<u>\$ 149,100</u>	<u>\$ 2,339</u>	<u>\$ 522,499</u>	<u>\$ 39,461</u>

(Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020

	<u>Title I</u>	<u>Early Childhood Education Development</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 72,168	\$ 721	\$ 3,130	\$ -	\$ 1,625,058
Receivables:					
Accounts	-	18	-	-	8,917
Intergovernmental	319,097	65,021	123,761	20,979	954,473
Materials and supplies inventory	-	-	-	-	7,083
Inventory held for resale	-	-	-	-	16,468
Total assets.	<u>\$ 391,265</u>	<u>\$ 65,760</u>	<u>\$ 126,891</u>	<u>\$ 20,979</u>	<u>\$ 2,611,999</u>
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 3,130	\$ -	\$ 105,656
Accrued wages and benefits	44,020	807	-	-	162,375
Compensated absences payable	-	-	-	-	6,218
Intergovernmental payable	638	12	-	-	16,412
Pension and postemployment benefits payable . .	6,162	-	-	-	33,537
Interfund loans payable	205,309	5,346	101,378	591	646,820
Total liabilities.	<u>256,129</u>	<u>6,165</u>	<u>104,508</u>	<u>591</u>	<u>971,018</u>
Deferred inflows of resources:					
Intergovernmental revenue not available	185,957	64,878	25,513	20,388	565,241
Miscellaneous revenue not available	-	-	-	-	1,914
Total deferred inflows of resources	<u>185,957</u>	<u>64,878</u>	<u>25,513</u>	<u>20,388</u>	<u>567,155</u>
Fund Balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	-	7,083
Scholarship endowment	-	-	-	-	13,563
Restricted:					
Food service operations	-	-	-	-	124,046
Non-public schools	-	-	-	-	192,545
Student wellness	-	-	-	-	130,297
Extracurricular	-	-	-	-	396,094
Other purposes	-	-	-	-	305,175
Unassigned (deficit)	(50,821)	(5,283)	(3,130)	-	(94,977)
Total fund balances	<u>(50,821)</u>	<u>(5,283)</u>	<u>(3,130)</u>	<u>-</u>	<u>1,073,826</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 391,265</u>	<u>\$ 65,760</u>	<u>\$ 126,891</u>	<u>\$ 20,979</u>	<u>\$ 2,611,999</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, 2020

	<u>Food Service</u>	<u>Local Grants</u>	<u>Endowment Fund</u>	<u>Professional Development Grant</u>	<u>Student Managed Activity</u>
Revenues:					
From local sources:					
Earnings on investments	\$ 272	\$ 4	\$ 26	\$ -	\$ -
Charges for services	666,394	-	-	-	-
Extracurricular	-	-	-	-	84,593
Classroom materials and fees	-	-	-	-	27,319
Contributions and donations	-	7,485	-	53,316	10,588
Other local revenues	81	500	-	7,420	-
Intergovernmental - state	-	-	-	-	-
Intergovernmental - federal	280,908	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	947,655	7,989	26	60,736	122,500
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	2,891	-
Special	-	-	-	-	-
Adult/continuing	-	-	-	1,482	-
Other	-	-	-	-	-
Support services:					
Pupil	-	-	-	-	-
Instructional staff	-	-	-	11,605	-
Administration	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	1,109,248	-	-	-	-
Other non-instructional services	-	-	-	11,400	-
Extracurricular activities	-	19,500	-	-	106,970
Facilities acquisition and construction	-	-	-	53,398	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,109,248	19,500	-	80,776	106,970
Excess of revenues over (under) expenditures	(161,593)	(11,511)	26	(20,040)	15,530
Other financing sources:					
Transfers in	-	-	-	29,353	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	29,353	-
Net change in fund balances	(161,593)	(11,511)	26	9,313	15,530
Fund balances (deficit) at beginning of year (restated)	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	292,722	79,247	33,125	188,799	185,314
Fund balances (deficit) at end of year	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 131,129	\$ 67,736	\$ 33,151	\$ 198,112	\$ 200,844

<u>Athletic and Music</u>	<u>Auxiliary Services</u>	<u>Data Communications Support</u>	<u>Student Wellness and Success Funds</u>	<u>College Credit Plus Teacher Credential Grant</u>	<u>IDEA, Part B Special Education</u>	<u>Limited English Proficiency</u>
\$ -	\$ 203	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
180,705	-	-	-	-	-	-
-	-	-	-	-	-	-
38,905	-	-	-	-	-	-
4,660	-	-	-	-	-	-
-	682,718	7,200	159,062	15,394	-	-
-	-	-	-	-	827,009	34,196
<u>224,270</u>	<u>682,921</u>	<u>7,200</u>	<u>159,062</u>	<u>15,394</u>	<u>827,009</u>	<u>34,196</u>
-	-	-	-	-	-	-
-	-	-	-	-	711,750	31,527
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	27,265	-	96,027	1,468
-	-	15,000	1,500	-	14,972	200
-	-	-	-	-	5,489	-
-	-	-	-	17,358	-	-
-	-	-	-	-	-	-
-	535,277	-	-	-	26,564	800
235,011	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>235,011</u>	<u>535,277</u>	<u>15,000</u>	<u>28,765</u>	<u>17,358</u>	<u>854,802</u>	<u>33,995</u>
(10,741)	147,644	(7,800)	130,297	(1,964)	(27,793)	201
<u>10,000</u>	-	-	-	-	-	-
<u>10,000</u>	-	-	-	-	-	-
(741)	147,644	(7,800)	130,297	(1,964)	(27,793)	201
<u>195,991</u>	<u>44,901</u>	<u>25,200</u>	<u>-</u>	<u>4,303</u>	<u>(7,150)</u>	<u>(1,001)</u>
<u>\$ 195,250</u>	<u>\$ 192,545</u>	<u>\$ 17,400</u>	<u>\$ 130,297</u>	<u>\$ 2,339</u>	<u>\$ (34,943)</u>	<u>\$ (800)</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, 2020

	Title I	Early Childhood Education Development	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:					
From local sources:					
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ 505
Charges for services	-	-	-	-	666,394
Extracurricular	-	-	-	-	265,298
Classroom materials and fees.	-	-	-	-	27,319
Contributions and donations	-	-	-	-	110,294
Other local revenues	-	-	-	-	12,661
Intergovernmental - state	-	-	-	-	864,374
Intergovernmental - federal	314,702	12,452	107,371	24,298	1,600,936
	<u>314,702</u>	<u>12,452</u>	<u>107,371</u>	<u>24,298</u>	<u>3,547,781</u>
Total revenue.	<u>314,702</u>	<u>12,452</u>	<u>107,371</u>	<u>24,298</u>	<u>3,547,781</u>
Expenditures:					
Current:					
Instruction:					
Regular.	-	819	70,228	-	73,938
Special	-	19,606	-	-	762,883
Adult/continuing	-	-	-	-	1,482
Other	351,935	-	-	24,269	376,204
Support services:					
Pupil	-	-	-	-	124,760
Instructional staff.	3,471	178	30,935	-	77,861
Administration	3,864	-	-	-	9,353
Operations and maintenance.	-	-	-	-	17,358
Operation of non-instructional services:					
Food service operations	-	-	-	-	1,109,248
Other non-instructional services	9,428	439	6,059	-	589,967
Extracurricular activities.	-	-	-	-	361,481
Facilities acquisition and construction	-	-	-	-	53,398
	<u>368,698</u>	<u>21,042</u>	<u>107,222</u>	<u>24,269</u>	<u>3,557,933</u>
Total expenditures	<u>368,698</u>	<u>21,042</u>	<u>107,222</u>	<u>24,269</u>	<u>3,557,933</u>
Excess of revenues over (under) expenditures.	(53,996)	(8,590)	149	29	(10,152)
Other financing sources:					
Transfers in.	-	-	-	-	39,353
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,353</u>
Total other financing sources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,353</u>
Net change in fund balances	(53,996)	(8,590)	149	29	29,201
Fund balances (deficit) at beginning of year (restated)	<u>3,175</u>	<u>3,307</u>	<u>(3,279)</u>	<u>(29)</u>	<u>1,044,625</u>
Fund balances (deficit) at end of year	<u>\$ (50,821)</u>	<u>\$ (5,283)</u>	<u>\$ (3,130)</u>	<u>\$ -</u>	<u>\$ 1,073,826</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Charges for services	\$ 912,083	\$ 663,995	\$ (248,088)
Earnings on investments	374	272	(102)
Other local revenues	185	135	(50)
Intergovernmental - federal	287,358	209,196	(78,162)
Total revenues.	<u>1,200,000</u>	<u>873,598</u>	<u>(326,402)</u>
Expenditures:			
Current:			
Operation of non-instructional services:			
Food service operations:			
Salaries and wages	647,601	435,568	212,033
Fringe benefits	358,943	241,420	117,523
Purchased services	44,875	30,182	14,693
Supplies	539,683	362,984	176,699
Total operation of non-instructional services - food service operations . . .	<u>1,591,102</u>	<u>1,070,154</u>	<u>520,948</u>
Net change in fund balance.	(391,102)	(196,556)	194,546
Fund balance at beginning of year	379,594	379,594	-
Prior year encumbrances appropriated . . .	11,508	11,508	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 194,546</u>	<u>\$ 194,546</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 6	\$ 4	\$ (2)
Contributions and donations	17,211	10,985	(6,226)
Total revenues	17,217	10,989	(6,228)
Expenditures:			
Current:			
Extracurricular activities:			
Purchased services	93,747	19,500	74,247
Excess of expenditures over revenues	(76,530)	(8,511)	68,019
Other financing sources:			
Refund of prior year's expenditures	783	500	(283)
Net change in fund balance	(75,747)	(8,011)	67,736
Fund balance at beginning of year (restated) .	75,747	75,747	-
Fund balance at end of year	\$ -	\$ 67,736	\$ 67,736

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENDOWMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 500	\$ 26	\$ (474)
Expenditures:			
Current:			
Operation on non-instructional services:			
Other non-instructional services:			
Other	33,625	-	33,625
Net change in fund balance.	(33,125)	26	33,151
Fund balance at beginning of year	33,125	33,125	-
Fund balance at end of year.	\$ -	\$ 33,151	\$ 33,151

**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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Contributions and donations	\$ 53,264	\$ 53,315	\$ 51
Other local revenues	7,413	7,420	7
Total revenues	<u>60,677</u>	<u>60,735</u>	<u>58</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Supplies	5,786	2,928	2,858
Capital outlay	534	270	264
Total regular	<u>6,320</u>	<u>3,198</u>	<u>3,122</u>
Adult/continuing:			
Supplies	119	60	59
Total instruction	<u>6,439</u>	<u>3,258</u>	<u>3,181</u>
Support services:			
Instructional staff:			
Purchased services	24,712	12,505	12,207
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	32,607	16,500	16,107
Facilities acquisition and construction:			
Site improvement services:			
Other	105,522	53,397	52,125
Total expenditures	<u>169,280</u>	<u>85,660</u>	<u>83,620</u>
Excess of expenditures over revenues	<u>(108,603)</u>	<u>(24,925)</u>	<u>83,678</u>
Other financing sources (uses):			
Transfers in	29,323	29,353	30
Advances in	-	75,000	75,000
Advances (out)	(148,214)	(75,000)	73,214
Total other financing sources (uses)	<u>(118,891)</u>	<u>29,353</u>	<u>148,244</u>
Net change in fund balance	(227,494)	4,428	231,922
Fund balance at beginning of year	225,489	225,489	-
Prior year encumbrances appropriated	2,005	2,005	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 231,922</u>	<u>\$ 231,922</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUDENT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Extracurricular	\$ 118,841	\$ 84,593	\$ (34,248)
Classroom materials and fees	38,379	27,319	(11,060)
Contributions and donations	14,874	10,588	(4,286)
Total revenues	<u>172,094</u>	<u>122,500</u>	<u>(49,594)</u>
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	7,503	1,925	5,578
Fringe benefits	1,154	296	858
Purchased services	71,036	18,225	52,811
Other	346,949	89,013	257,936
Total extracurricular activities	<u>426,642</u>	<u>109,459</u>	<u>317,183</u>
Net change in fund balance	(254,548)	13,041	267,589
Fund balance at beginning of year (restated) .	181,169	181,169	-
Prior year encumbrances appropriated	4,284	4,284	-
Fund balance at end of year	<u>\$ (69,095)</u>	<u>\$ 198,494</u>	<u>\$ 267,589</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Extracurricular	\$ 233,293	\$ 178,994	\$ (54,299)
Contributions and donations	51,769	39,720	(12,049)
Other local revenues	1,001	768	(233)
Total revenues.	<u>286,063</u>	<u>219,482</u>	<u>(66,581)</u>
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	49,570	23,602	25,968
Fringe benefits	12,028	5,727	6,301
Purchased services	128,631	61,246	67,385
Supplies	52,451	24,974	27,477
Capital outlay	2,501	1,191	1,310
Other	261,618	124,566	137,052
Total extracurricular activities.	<u>506,799</u>	<u>241,306</u>	<u>265,493</u>
Excess of expenditures over revenues	<u>(220,736)</u>	<u>(21,824)</u>	<u>198,912</u>
Other financing sources:			
Refund of prior year's expenditures	903	693	(210)
Transfers in.	13,034	10,000	(3,034)
Total other financing sources	<u>13,937</u>	<u>10,693</u>	<u>(3,244)</u>
Net change in fund balance	(206,799)	(11,131)	195,668
Fund balance at beginning of year	202,972	202,972	-
Prior year encumbrances appropriated	3,827	3,827	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 195,668</u>	<u>\$ 195,668</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 193	\$ 203	\$ 10
Intergovernmental - state	649,807	682,718	32,911
Total revenues.	<u>650,000</u>	<u>682,921</u>	<u>32,921</u>
Expenditures:			
Current:			
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	32,061	27,775	4,286
Fringe benefits	26,906	23,309	3,597
Purchased services	397,769	344,590	53,179
Supplies	288,866	250,247	38,619
Capital outlay	45,944	39,802	6,142
Total operation of non-instructional services - other non-instructional services .	<u>791,546</u>	<u>685,723</u>	<u>105,823</u>
Excess of expenditures over revenues	(141,546)	(2,802)	138,744
Other financing (uses):			
Refund of prior year's receipts	<u>(7,318)</u>	<u>(6,340)</u>	<u>978</u>
Net change in fund balance	(148,864)	(9,142)	139,722
Fund balance at beginning of year	7,953	7,953	-
Prior year encumbrances appropriated . . .	140,911	140,911	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 139,722</u>	<u>\$ 139,722</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - state	\$ 12,600	\$ 7,200	\$ (5,400)
Expenditures:			
Current:			
Support services:			
Instructional staff:			
Purchased services	37,800	25,200	12,600
Net change in fund balance	(25,200)	(18,000)	7,200
Fund balance at beginning of year	<u>25,200</u>	<u>25,200</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 7,200</u>	<u>\$ 7,200</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUDENT WELLNESS AND SUCCESS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - state	\$ -	\$ 159,061	\$ 159,061
Expenditures:			
Current:			
Support services:			
Pupil:			
Purchased services	-	97,000	(97,000)
Instructional staff:			
Purchased services	-	1,500	(1,500)
Total support services	-	98,500	(98,500)
Net change in fund balance	-	60,561	60,561
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 60,561</u>	<u>\$ 60,561</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - state	\$ 15,400	\$ 15,394	\$ (6)
Expenditures:			
Current:			
Support services:			
Operations and maintance:			
Supplies	3,447	3,447	-
Capital outlay	19,811	19,805	6
Total support services.	23,258	23,252	6
Net change in fund balance	(7,858)	(7,858)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	7,858	7,858	-
Fund balance at end of year.	\$ -	\$ -	\$ -

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA, PART B SPECIAL EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 825,330	\$ 731,797	\$ (93,533)
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	54,844	46,589	8,255
Fringe benefits	34,696	21,576	13,120
Purchased services	721,730	656,621	65,109
Supplies	40,884	36,954	3,930
Capital outlay	30,839	15,332	15,507
Total special	<u>882,993</u>	<u>777,072</u>	<u>105,921</u>
Support services:			
Pupil:			
Purchased services	160,834	157,638	3,196
Instructional staff:			
Purchased services	32,470	16,027	16,443
Administration:			
Purchased services	<u>6,000</u>	<u>5,489</u>	<u>511</u>
Total support services	<u>199,304</u>	<u>179,154</u>	<u>20,150</u>
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	9,908	9,908	-
Purchased services	24,225	24,225	-
Capital outlay	<u>2,322</u>	<u>1,126</u>	<u>1,196</u>
Total operation of non-instructional services - other non-instructional services	<u>36,455</u>	<u>35,259</u>	<u>1,196</u>
Total expenditures	<u>1,118,752</u>	<u>991,485</u>	<u>127,267</u>
Excess of expenditures over revenues	<u>(293,422)</u>	<u>(259,688)</u>	<u>33,734</u>
Other financing sources (uses):			
Advances in	297,670	263,936	(33,734)
Advances (out)	<u>(102,221)</u>	<u>(102,221)</u>	<u>-</u>
Total other financing sources (uses)	<u>195,449</u>	<u>161,715</u>	<u>(33,734)</u>
Net change in fund balance	(97,973)	(97,973)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	<u>97,973</u>	<u>97,973</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIMITED ENGLISH PROFICIENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - federal	\$ 49,844	\$ 46,119	\$ (3,725)
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	26,783	26,783	-
Fringe benefits	4,731	4,731	-
Supplies	150	14	136
Total special	<u>31,664</u>	<u>31,528</u>	<u>136</u>
Support Services:			
Pupil:			
Purchased services	4,577	2,831	1,746
Instructional staff:			
Purchased services	300	200	100
Total support services.	<u>4,877</u>	<u>3,031</u>	<u>1,846</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	5,089	800	4,289
Supplies	100	-	100
Total operation of non-instructional services - other non-instructional services	<u>5,189</u>	<u>800</u>	<u>4,389</u>
Total expenditures	<u>41,730</u>	<u>35,359</u>	<u>6,371</u>
Excess of revenues over expenditures	<u>8,114</u>	<u>10,760</u>	<u>2,646</u>
Other financing sources (uses):			
Advances in	35,406	32,760	(2,646)
Advances (out)	(45,131)	(45,131)	-
Total other financing sources (uses)	<u>(9,725)</u>	<u>(12,371)</u>	<u>(2,646)</u>
Net change in fund balance	(1,611)	(1,611)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,611	1,611	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WESTLAKE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE I FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - federal	\$ 439,747	\$ 250,613	\$ (189,134)
Expenditures:			
Current:			
Instruction:			
Other:			
Salaries and wages	491,859	273,498	218,361
Fringe benefits	145,778	74,919	70,859
Purchased services	6,058	4,025	2,033
Supplies	59,389	39,442	19,947
Capital outlay	49,551	32,768	16,783
Total other	<u>752,635</u>	<u>424,652</u>	<u>327,983</u>
Support services:			
Instructional staff:			
Purchased services	<u>5,224</u>	<u>3,471</u>	<u>1,753</u>
Administration:			
Salaries and wages	6,651	4,419	2,232
Fringe benefits	1,026	682	344
Total administration	<u>7,677</u>	<u>5,101</u>	<u>2,576</u>
Total support services	<u>12,901</u>	<u>8,572</u>	<u>4,329</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	<u>14,491</u>	<u>9,428</u>	<u>5,063</u>
Total expenditures	<u>780,027</u>	<u>442,652</u>	<u>337,375</u>
Excess of expenditures over revenues . . .	<u>(340,280)</u>	<u>(192,039)</u>	<u>148,241</u>
Other financing sources (uses):			
Advances in	360,253	205,309	(154,944)
Advances (out)	(19,973)	(13,270)	6,703
Total other financing sources (uses)	<u>340,280</u>	<u>192,039</u>	<u>(148,241)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EARLY CHILDHOOD EDUCATION DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 60,082	\$ 15,616	\$ (44,466)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	10,000	-	10,000
Fringe benefits	5,000	-	5,000
Total regular	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Special:			
Supplies	22,908	7,948	14,960
Capital outlay	23,795	12,361	11,434
Total special	<u>46,703</u>	<u>20,309</u>	<u>26,394</u>
Total instruction	<u>61,703</u>	<u>20,309</u>	<u>41,394</u>
Support services:			
Pupil:			
Purchased services	2,200	-	2,200
Instructional staff:			
Salaries and wages	500	-	500
Purchased services	13,000	178	12,822
Capital outlay	2,050	-	2,050
Total instructional staff	<u>15,550</u>	<u>178</u>	<u>15,372</u>
Total support services	<u>17,750</u>	<u>178</u>	<u>17,572</u>
Operation of non-instructional services:			
Other non-instructional services:			
Supplies	1,197	475	722
Total expenditures	<u>80,650</u>	<u>20,962</u>	<u>59,688</u>
Excess of expenditures over revenues	<u>(20,568)</u>	<u>(5,346)</u>	<u>15,222</u>
Other financing sources (uses):			
Advances in	20,568	5,346	(15,222)
Advances (out)	(15,074)	(15,074)	-
Total other financing sources (uses)	<u>5,494</u>	<u>(9,728)</u>	<u>(15,222)</u>
Net change in fund balance	(15,074)	(15,074)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	15,074	15,074	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - federal	\$ 63,512	\$ 55,512	\$ (8,000)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	59,000	59,000	-
Fringe benefits	11,228	11,228	-
Total regular	<u>70,228</u>	<u>70,228</u>	<u>-</u>
Support services:			
Instructional staff:			
Salaries and wages	5,000	2,066	2,934
Fringe benefits	900	-	900
Purchased services	38,227	27,875	10,352
Supplies	2,000	994	1,006
Total instructional staff	<u>46,127</u>	<u>30,935</u>	<u>15,192</u>
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	15,656	9,338	6,318
Supplies	1,363	263	1,100
Total operation of other non-instructional services - other non-instructional services	<u>17,019</u>	<u>9,601</u>	<u>7,418</u>
Total expenditures	<u>133,374</u>	<u>110,764</u>	<u>22,610</u>
Excess of expenditures over revenues	<u>(69,862)</u>	<u>(55,252)</u>	<u>14,610</u>
Other financing sources (uses):			
Advances in	115,988	101,378	(14,610)
Advances (out)	<u>(50,295)</u>	<u>(50,295)</u>	<u>-</u>
Total other financing sources (uses)	<u>65,693</u>	<u>51,083</u>	<u>(14,610)</u>
Net change in fund balance	(4,169)	(4,169)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	4,169	4,169	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 50,512	\$ 30,226	\$ (20,286)
Expenditures:			
Current:			
Instruction:			
Other:			
Purchased services	42,682	25,454	17,228
Operation of non-instructional services:			
Other non-instructional services:			
Purchased services	2,550	30	2,520
Supplies	935	-	935
Total operation of non-instructional services - other non-instructional services .	3,485	30	3,455
Total expenditures	46,167	25,484	20,683
Other financing sources (uses):			
Advances in	988	591	(397)
Advances (out)	(12,178)	(12,178)	-
Total other financing sources (uses)	(11,190)	(11,587)	(397)
Net change in fund balance	(6,845)	(6,845)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	6,845	6,845	-
Fund balance at end of year	\$ -	\$ -	\$ -

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Classroom materials and fees	\$ 58,616	\$ 135,644	\$ 77,028
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	98,790	58,138	40,652
Supplies	31,564	18,576	12,988
Total regular.	<u>130,354</u>	<u>76,714</u>	<u>53,640</u>
Special:			
Supplies	1,048	617	431
Total instruction	<u>131,402</u>	<u>77,331</u>	<u>54,071</u>
Excess of revenues over (under) expenditures	(72,786)	58,313	131,099
Other financing sources:			
Advances in	1,384	3,203	1,819
Net change in fund balance	(71,402)	61,516	132,918
Fund balance at beginning of year	71,394	71,394	-
Prior year encumbrances appropriated . .	8	8	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 132,918</u>	<u>\$ 132,918</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, 2020

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Instruction:			
Other:			
Salaries and wages	\$ 8,062	\$ 5,175	\$ 2,887
Fringe benefits	2,059	1,321	738
Total other	10,121	6,496	3,625
Support services:			
Administration:			
Purchased services	61	40	21
Total expenditures	10,182	6,536	3,646
Net change in fund balance	(10,182)	(6,536)	3,646
Fund balance at beginning of year	10,182	10,182	-
Fund balance at end of year	\$ -	\$ 3,646	\$ 3,646

**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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Tuition	\$ 545,075	\$ 447,847	\$ (97,228)
Classroom materials and fees	1,211	995	(216)
Other local revenues	32,003	26,294	(5,709)
Total revenues	<u>578,289</u>	<u>475,136</u>	<u>(103,153)</u>
Expenditures:			
Operation of non-instructional services:			
Other non-instructional services:			
Salaries and wages	474,435	380,722	93,713
Fringe benefits	159,415	127,927	31,488
Purchased services	16,635	13,349	3,286
Supplies	63,671	51,094	12,577
Total operation of non-instructional services - other non-instructional services .	<u>714,156</u>	<u>573,092</u>	<u>141,064</u>
Excess of expenditures over revenues	<u>(135,867)</u>	<u>(97,956)</u>	<u>37,911</u>
Other financing sources (uses):			
Refund of prior year's receipts	(3,876)	(3,110)	766
Transfers in	91,283	75,000	(16,283)
Advances in	30,428	25,000	(5,428)
Advances (out)	(12,461)	(10,000)	2,461
Total other financing sources (uses)	<u>105,374</u>	<u>86,890</u>	<u>(18,484)</u>
Net change in fund balance	(30,493)	(11,066)	19,427
Fund balance at beginning of year	28,691	28,691	-
Prior year encumbrances appropriated	1,802	1,802	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 19,427</u>	<u>\$ 19,427</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Extracurricular	\$ 6,423	\$ 1,788	\$ (4,635)
Contributions and donations	106,722	29,714	(77,008)
Other local revenues	7,966	2,218	(5,748)
Total revenues	<u>121,111</u>	<u>33,720</u>	<u>(87,391)</u>
Expenditures:			
Current:			
Operation of non-instructional services:			
Other non-instructional services:			
Supplies	9,762	1,658	8,104
Extracurricular activities:			
Supplies	249,997	42,461	207,536
Capital outlay	589	100	489
Total extracurricular activities	<u>250,586</u>	<u>42,561</u>	<u>208,025</u>
Total expenditures	<u>260,348</u>	<u>44,219</u>	<u>216,129</u>
Excess of expenditures over revenues	(139,237)	(10,499)	128,738
Other financing sources:			
Refund of prior year's expenditures	8,889	2,475	(6,414)
Net change in fund balance	(130,348)	(8,024)	122,324
Fund balance at beginning of year	128,185	128,185	-
Prior year encumbrances appropriated	2,163	2,163	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 122,324</u>	<u>\$ 122,324</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, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Taxes	\$ 1,097,049	\$ 1,082,946	\$ (14,103)
Earnings on investments	1,786	1,763	(23)
Other revenue	257	254	(3)
Intergovernmental - state	14,096	13,915	(181)
Total revenues.	<u>1,113,188</u>	<u>1,098,878</u>	<u>(14,310)</u>
Expenditures:			
Current:			
Support services:			
Administration:			
Other	<u>3,728</u>	<u>2,394</u>	<u>1,334</u>
Fiscal:			
Other	<u>19,809</u>	<u>12,722</u>	<u>7,087</u>
Pupil transportation:			
Purchased services	222,744	143,055	79,689
Capital outlay.	77,004	49,455	27,549
Total pupil transportation.	<u>299,748</u>	<u>192,510</u>	<u>107,238</u>
Central:			
Capital outlay	<u>325,997</u>	<u>209,368</u>	<u>116,629</u>
Total support services	<u>649,282</u>	<u>416,994</u>	<u>232,288</u>
Extracurricular activities:			
Capital outlay	<u>7,975</u>	<u>5,122</u>	<u>2,853</u>
Facilities acquisition and construction:			
Site improvement services:			
Purchased services	22,344	14,350	7,994
Capital outlay	13,641	8,761	4,880
Total site improvement services	<u>35,985</u>	<u>23,111</u>	<u>12,874</u>
Building acquisition and construction:			
Capital outlay	2,520,395	1,618,699	901,696
Total facilities acquisition and construction	<u>2,556,380</u>	<u>1,641,810</u>	<u>914,570</u>
Debt service:			
Principal retirement	<u>155,705</u>	<u>100,000</u>	<u>55,705</u>
Total expenditures	<u>3,369,342</u>	<u>2,163,926</u>	<u>1,205,416</u>
Excess of expenditures over revenues	(2,256,154)	(1,065,048)	1,191,106
Other financing sources:			
Refund of prior year's expenditures	<u>5,494</u>	<u>5,423</u>	<u>(71)</u>
Net change in fund balance	(2,250,660)	(1,059,625)	1,191,035
Fund balance at beginning of year	562,925	562,925	-
Prior year encumbrances appropriated	1,687,735	1,687,735	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 1,191,035</u>	<u>\$ 1,191,035</u>

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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 funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Custodial Funds

Westlake Alumni Organizations Fund

This fund reflects resources that belong to the various alumni organizations of Westlake City Schools. The District holds the monies for the alumni organizations but does not have administrative involvement in the use of the funds.

OHSAA Tournament Fund

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

**WESTLAKE SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2020

	<u>Westlake Alumni Organizations</u>
Assets:	
Equity in pooled cash and investments	\$ 104,093
Net position:	
Restricted for other organizations	<u>\$ 104,093</u>

**WESTLAKE SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	OHSAA Tournaments	Westlake Alumni Organizations	Total
Additions:			
Collections for the Ohio High School Athletic Association . . .	\$ 19,430	\$ -	\$ 19,430
Collections for Westlake Alumni Organizations	-	12,746	12,746
Total additions.	<u>19,430</u>	<u>12,746</u>	<u>32,176</u>
Deductions:			
Distributions to the Ohio High School Athletic Association	19,430	-	19,430
Distributions to Westlake Alumni Organizations.	-	11,799	11,799
Total deductions	<u>19,430</u>	<u>11,799</u>	<u>31,229</u>
Change in net position	-	947	947
Net position at beginning of year (restated)	<u>-</u>	<u>103,146</u>	<u>103,146</u>
Net position at end of year	<u>\$ -</u>	<u>\$ 104,093</u>	<u>\$ 104,093</u>

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***STATISTICAL
SECTION***

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	146-157
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	158-165
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	166-169
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	170-171
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	172-181

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>2020</u>	<u>2019 ⁽⁴⁾</u>	<u>2018</u>	<u>2017 ⁽³⁾</u>
Governmental activities				
Net investment in capital assets	\$ 32,523,025	\$ 24,216,407	\$ 31,723,499	\$ 32,721,926
Restricted	11,752,252	20,310,517	10,969,008	8,742,844
Unrestricted (Deficit)	<u>(38,744,562)</u>	<u>(36,785,985)</u>	<u>(47,016,291)</u>	<u>(76,835,473)</u>
Total governmental activities net position	<u>\$ 5,530,715</u>	<u>\$ 7,740,939</u>	<u>\$ (4,323,784)</u>	<u>\$ (35,370,703)</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 fiscal year 2014 have been restated to reflect the implementation of these statements and years prior to 2014 have not been restated.

⁽³⁾ The District implemented GASB Statement No. 75 in 2018. Amounts for fiscal year 2017 have been restated to reflect the implementation of this statement and years prior to 2017 have not been restated.

⁽⁴⁾ The District implemented GASB Statement No. 84 in 2020. Amounts for fiscal year 2019 have been restated to reflect the implementation of this statement and years prior to 2019 have not been restated.

Source: School District financial records.

<u>2016</u>	<u>2015</u>	<u>2014⁽²⁾</u>	<u>2013</u>	<u>2012⁽¹⁾</u>	<u>2011⁽¹⁾</u>
\$ 31,800,580	\$ 32,047,648	\$ 32,611,481	\$ 31,803,272	\$ 29,104,480	\$ 26,697,219
8,555,064	5,985,512	5,924,425	5,852,768	7,502,554	33,449,274
(54,295,199)	(60,507,812)	(63,008,117)	15,421,008	16,017,546	18,230,099
<u>\$ (13,939,555)</u>	<u>\$ (22,474,652)</u>	<u>\$ (24,472,211)</u>	<u>\$ 53,077,048</u>	<u>\$ 52,624,580</u>	<u>\$ 78,376,592</u>

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

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

	<u>2020</u>	<u>2019 ⁽¹⁾</u>	<u>2018</u>	<u>2017</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 23,395,548	\$ 18,882,246	\$ 9,561,942	\$ 22,656,445
Special	9,151,779	7,299,040	4,270,413	8,484,307
Vocational	1,175,309	1,096,291	994,315	776,899
Adult/Continuing	1,482	3,463	1,568	3,886
Other instructional	1,526,721	1,320,022	1,294,993	1,790,306
Support services:				
Pupil	3,982,479	3,605,224	1,947,875	3,894,367
Instructional staff	1,854,164	1,523,929	1,349,033	1,703,423
Board of education	33,865	30,789	20,468	42,201
Administration	3,016,659	2,573,445	1,534,687	3,215,516
Fiscal	1,303,171	1,167,196	940,223	1,264,203
Business	514,954	489,965	321,226	463,803
Operations and maintenance	4,842,154	4,833,938	2,929,868	5,160,733
Pupil transportation	3,422,464	3,280,451	1,985,454	3,794,474
Central	433,994	778,698	137,169	444,195
Operation of non-instructional services				
Food service operations	1,314,898	1,235,170	929,969	1,284,778
Other non-instructional services	1,172,911	1,310,251	918,540	1,563,850
Extracurricular activities	1,207,083	1,368,951	749,890	1,764,627
Interest and fiscal charges	4,209,847	4,302,705	4,279,804	4,160,226
Total governmental activities expenses	<u>\$ 62,559,482</u>	<u>\$ 55,101,774</u>	<u>\$ 34,167,437</u>	<u>\$ 62,468,239</u>

	2016	2015	2014	2013	2012	2011
\$	21,919,688	\$ 22,211,994	\$ 24,689,245	\$ 23,734,781	\$ 23,352,699	\$ 23,000,156
	7,448,107	7,246,667	7,199,739	7,324,149	5,113,771	5,355,715
	1,053,253	1,000,860	916,454	189,647	279,679	277,138
	3,334	3,275	12,034	96,247	75,712	93,920
	1,704,407	1,565,581	1,707,338	2,047,292	1,982,160	1,584,547
	3,726,306	3,588,053	3,900,942	3,977,719	3,688,102	3,735,847
	1,635,220	1,732,345	2,063,238	1,697,184	3,893,297	3,631,697
	71,975	46,916	50,915	36,145	34,898	31,539
	2,941,589	2,744,778	3,154,314	2,841,239	3,111,459	2,946,534
	1,442,664	1,302,611	1,450,781	1,292,707	1,339,376	1,246,556
	459,516	504,915	490,493	464,546	417,407	345,423
	5,305,924	5,425,118	5,435,449	4,259,499	4,563,603	4,709,177
	3,654,866	3,968,862	4,186,528	4,574,030	4,529,102	4,679,476
	354,613	319,218	307,709	322,186	116,643	151,995
	1,242,054	1,215,531	1,283,386	1,203,488	1,345,128	1,276,077
	1,258,018	1,305,906	1,117,682	1,059,550	726,157	736,810
	1,508,100	1,451,391	1,624,770	1,614,625	1,539,352	1,604,308
	3,913,479	4,884,193	5,167,269	5,247,443	5,259,363	4,815,718
\$	<u>59,643,113</u>	<u>\$ 60,518,214</u>	<u>\$ 64,758,286</u>	<u>\$ 61,982,477</u>	<u>\$ 61,367,908</u>	<u>\$ 60,222,633</u>

(Continued)

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

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

Program Revenues	2020	2019 ⁽¹⁾	2018	2017
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 538,053	\$ 511,841	\$ 395,083	\$ 332,551
Special	115,162	9,072	-	-
Adult/Continuing	-	-	-	7,110
Other instructional	-	-	-	18,225
Support services:				
Instructional staff	-	-	-	-
Board of education	-	-	-	-
Administration	-	-	-	245
Operations and maintenance	60,364	63,502	83,710	77,909
Pupil transportation	49,668	53,787	57,888	59,281
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	666,694	827,598	833,121	842,610
Other non-instructional services	479,751	647,282	594,235	602,108
Extracurricular activities	384,540	557,965	340,292	537,292
Operating grants and contributions:				
Instruction:				
Regular	93,934	62,539	31,959	63,470
Special	1,364,666	924,872	764,540	824,211
Vocational	7,104	7,104	7,104	7,252
Adult/Continuing	3,288	7,411	41,951	479,931
Other	509,886	333,728	333,854	444,678
Support services:				
Pupil	271,440	62,389	27,449	156,265
Instructional staff	102,572	78,308	72,911	49,935
Board of education	-	-	-	-
Administration	11,905	4,669	474	1,099
Operations and maintenance	15,394	19,713	-	-
Pupil transportation	150,775	231,331	199,084	247,998
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	281,261	358,168	408,103	331,059
Other non-instructional services	763,288	714,302	686,308	1,137,232
Extracurricular activities	93,470	177,508	202,570	232,744
Interest and fiscal charges	-	-	-	-
Capital grants and contributions:				
Extracurricular activities	-	-	-	-
Total governmental program revenues	<u>\$ 5,963,215</u>	<u>\$ 5,653,089</u>	<u>\$ 5,080,636</u>	<u>\$ 6,453,205</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (56,596,267)</u>	<u>\$ (49,448,685)</u>	<u>\$ (29,086,801)</u>	<u>\$ (56,015,034)</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	256,620	\$ 366,573	\$ 273,587	\$ 356,263	\$ 344,761	\$ 150,267
	-	-	-	-	-	-
	25,235	19,305	20,466	3,670	7,832	1,702
	-	-	-	-	-	-
	-	-	1,858	15,854	2,998	109
	-	-	-	1,363	-	-
	-	-	-	7,406	95,575	84,845
	52,856	62,282	50,241	62,754	52,158	42,216
	3,530	30,199	37,384	23,789	22,711	9,662
	-	-	-	2,946	-	-
	858,000	858,059	868,105	926,508	1,028,386	982,339
	605,475	538,681	478,299	429,751	331,146	267,213
	443,562	468,648	505,537	501,140	516,564	486,912
	42,145	178,710	105,712	151,985	131,041	268,130
	769,782	772,515	690,652	537,280	404,208	758,975
	3,046	2,543	1,745	-	-	-
	4,550	12,881	7,616	80,696	71,138	90,750
	381,935	294,726	329,821	344,380	278,973	318,969
	194,001	172,447	276,567	263,050	243,120	337,910
	74,076	72,094	118,751	84,855	261,991	308,232
	-	-	-	290	-	-
	1,631	1,934	7,003	9,982	13,101	13,677
	15,000	-	9	-	236	180,441
	246,984	257,050	301,566	235,326	241,122	200,039
	-	-	12,600	13,226	12,600	20,925
	350,925	314,915	299,765	299,107	318,533	274,306
	713,243	677,803	662,317	532,958	498,097	496,917
	242,268	219,766	158,876	151,158	151,664	180,309
	538,464	1,170,112	1,630,556	1,680,633	1,757,065	1,351,964
	330,000	-	-	-	-	-
\$	<u>6,153,328</u>	<u>\$ 6,491,243</u>	<u>\$ 6,839,033</u>	<u>\$ 6,716,370</u>	<u>\$ 6,785,020</u>	<u>\$ 6,826,809</u>
\$	<u>(53,489,785)</u>	<u>\$ (54,026,971)</u>	<u>\$ (57,919,253)</u>	<u>\$ (55,266,107)</u>	<u>\$ (54,582,888)</u>	<u>\$ (53,395,824)</u>

(Continued)

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

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

	<u>2020</u>	<u>2019 ⁽¹⁾</u>	<u>2018</u>	<u>2017</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 37,908,112	\$ 42,358,923	\$ 41,797,143	\$ 36,486,989
Debt service	5,225,617	6,645,097	6,417,674	5,839,450
Capital outlay	960,682	1,129,152	1,168,288	826,544
Payments in lieu of taxes	687,567	583,245	506,058	455,000
Grants and entitlements not restricted				
to specific programs	7,624,720	8,710,452	9,333,934	9,383,072
Investment earnings	1,171,048	1,454,283	647,724	206,295
Gain on sale of capital assets	27,896	-	8,942	1,203
Miscellaneous	780,401	343,053	253,957	474,282
Total governmental activities	<u>\$ 54,386,043</u>	<u>\$ 61,224,205</u>	<u>\$ 60,133,720</u>	<u>\$ 53,672,835</u>
Change in Net Position				
Governmental activities	<u>\$ (2,210,224)</u>	<u>\$ 11,775,520</u>	<u>\$ 31,046,919</u>	<u>\$ (2,342,199)</u>

⁽¹⁾ The District implemented GASB Statement No. 84 in 2020. Amounts for fiscal year 2019 have been restated to reflect the implementation of this statement and years prior to 2019 have not been restated.

Source: School District financial records.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 43,977,628	\$ 38,970,696	\$ 43,338,398	\$ 39,299,209	\$ 39,089,032	\$ 39,263,204
7,806,044	6,767,839	7,473,410	6,892,556	6,890,778	5,829,681
-	-	-	-	-	-
455,000	227,500	-	-	-	-
9,379,082	9,752,076	9,492,994	9,040,496	9,901,584	11,180,263
250,028	169,939	175,372	147,324	392,826	545,781
17,074	-	-	-	-	-
140,026	136,480	367,788	338,990	127,830	155,827
<u>\$ 62,024,882</u>	<u>\$ 56,024,530</u>	<u>\$ 60,847,962</u>	<u>\$ 55,718,575</u>	<u>\$ 56,402,050</u>	<u>\$ 56,974,756</u>
<u>\$ 8,535,097</u>	<u>\$ 1,997,559</u>	<u>\$ 2,928,709</u>	<u>\$ 452,468</u>	<u>\$ 1,819,162</u>	<u>\$ 3,578,932</u>

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

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

	<u>2020</u>	<u>2019⁽²⁾</u>	<u>2018</u>	<u>2017</u>
General Fund:				
Nonspendable	\$ 115,891	\$ 106,849	\$ 106,854	\$ 106,367
Committed	1,168,693	1,168,693	1,168,693	1,168,693
Assigned	2,543,516	4,164,949	2,307,981	1,116,408
Unassigned	<u>22,052,545</u>	<u>22,205,680</u>	<u>22,326,801</u>	<u>21,757,929</u>
Total general fund	<u>\$ 25,880,645</u>	<u>\$ 27,646,171</u>	<u>\$ 25,910,329</u>	<u>\$ 24,149,397</u>
All Other Governmental Funds:				
Nonspendable	\$ 20,646	\$ 3,873	\$ 5,484	\$ 6,688
Restricted	11,032,522	17,167,609	40,177,426	42,833,645
Committed	-	-	-	-
Unassigned (deficit)	<u>(94,977)</u>	<u>(11,459)</u>	<u>(145,522)</u>	<u>(17,407)</u>
Total all other governmental funds	<u>\$ 10,958,191</u>	<u>\$ 17,160,023</u>	<u>\$ 40,037,388</u>	<u>\$ 42,822,926</u>
Total governmental funds	<u>\$ 36,838,836</u>	<u>\$ 44,806,194</u>	<u>\$ 65,947,717</u>	<u>\$ 66,972,323</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.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 ⁽¹⁾</u>
\$ 56,655	\$ 3,796	\$ 5,980	\$ 4,546	\$ 5,339	\$ 6,540
1,168,693	1,549,807	1,570,207	-	-	-
3,452,897	7,209,668	8,596,012	12,080,739	9,291,068	2,942,446
<u>22,487,981</u>	<u>13,284,916</u>	<u>8,638,397</u>	<u>6,786,159</u>	<u>10,916,608</u>	<u>19,342,998</u>
<u>\$ 27,166,226</u>	<u>\$ 22,048,187</u>	<u>\$ 18,810,596</u>	<u>\$ 18,871,444</u>	<u>\$ 20,213,015</u>	<u>\$ 22,291,984</u>
\$ 3,241	\$ 3,198	\$ 3,365	\$ 2,653	\$ 14,018	\$ 9,020
9,912,616	8,383,214	8,194,993	25,702,190	69,160,731	87,957,784
-	-	690	686	-	-
<u>-</u>	<u>-</u>	<u>(56,743)</u>	<u>(64)</u>	<u>(471)</u>	<u>(1,794)</u>
<u>\$ 9,915,857</u>	<u>\$ 8,386,412</u>	<u>\$ 8,142,305</u>	<u>\$ 25,705,465</u>	<u>\$ 69,174,278</u>	<u>\$ 87,965,010</u>
<u>\$ 37,082,083</u>	<u>\$ 30,434,599</u>	<u>\$ 26,952,901</u>	<u>\$ 44,576,909</u>	<u>\$ 89,387,293</u>	<u>\$ 110,256,994</u>

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

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

	<u>2020</u>	<u>2019 ⁽¹⁾</u>	<u>2018</u>	<u>2017</u>
Revenues				
From local sources:				
Property taxes	\$ 43,029,761	\$ 50,311,613	\$ 49,292,344	\$ 43,172,464
Payment in lieu of taxes	687,567	583,245	506,058	455,000
Tuition	968,290	1,067,232	918,965	887,429
Transportation fees	49,877	52,863	57,888	59,281
Earnings on investments	1,200,165	1,408,074	662,343	182,898
Charges for services	693,703	1,034,428	858,692	842,610
Extracurricular	355,681	375,719	289,806	348,531
Classroom materials and fees	163,555	75,379	94,968	225,406
Rental income	60,364	64,502	84,710	85,019
Contributions and donations	140,008	214,863	244,338	311,509
Other local revenues	982,969	353,292	434,116	1,329,680
Intergovernmental	10,630,315	11,471,810	12,135,571	12,172,873
Total revenues	<u>58,962,255</u>	<u>67,013,020</u>	<u>65,579,799</u>	<u>60,072,700</u>
Expenditures				
Current:				
Instruction:				
Regular	20,744,490	20,863,899	19,877,880	20,240,428
Special	8,803,249	8,546,418	8,702,985	8,083,944
Vocational	1,126,304	1,083,811	1,060,469	725,430
Adult/Continuing	1,482	4,140	4,150	3,521
Other	1,534,740	1,406,102	1,635,161	1,770,772
Support Services:				
Pupil	3,828,266	4,028,640	3,693,039	3,778,917
Instructional staff	1,656,833	1,631,344	1,982,670	1,535,087
Board of education	33,634	33,449	31,249	41,589
Administration	2,851,028	2,915,298	2,888,252	3,094,778
Fiscal	1,280,972	1,269,203	1,263,360	1,299,039
Business	521,877	475,935	485,547	357,273
Operations and maintenance	4,520,552	5,224,950	4,906,984	5,059,298
Pupil transportation	3,169,121	3,708,776	3,492,090	3,624,997
Central	495,321	952,796	390,093	438,624
Operation of non-instructional services:				
Food service operations	1,109,248	1,251,645	1,212,683	1,169,048
Other non-instructional services	1,151,575	1,436,167	1,404,152	1,531,622
Extracurricular activities	1,107,290	1,586,382	1,379,277	1,641,751
Facilities acquisitions and construction	6,173,736	25,313,752	5,105,323	1,407,718
Capital outlay	-	-	814,000	-
Debt service:				
Principal retirement	2,511,000	2,266,617	2,569,013	2,720,632
Interest and fiscal charges	4,342,711	4,444,422	4,541,399	3,664,805
Bond issuance costs	-	-	-	283,795
Accretion on CABs	-	-	-	1,835,000
Total expenditures	<u>66,963,429</u>	<u>88,443,746</u>	<u>67,439,776</u>	<u>64,308,068</u>
Excess of revenues over (under) expenditures	(8,001,174)	(21,430,726)	(1,859,977)	(4,235,368)
Other Financing Sources (Uses)				
Transfers in	39,353	16,185	24,242	10,000
Transfers (out)	(39,353)	(16,185)	(24,242)	(10,000)
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	33,816	-	21,371	2,925
Capital lease transaction	-	-	814,000	-
Bonds issued	-	-	-	33,630,000
Premium on bonds	-	-	-	492,683
Total other financing sources (uses)	<u>33,816</u>	<u>-</u>	<u>835,371</u>	<u>34,125,608</u>
Net change in fund balances	<u>\$ (7,967,358)</u>	<u>\$ (21,430,726)</u>	<u>\$ (1,024,606)</u>	<u>\$ 29,890,240</u>
Capital expenditures (included in expenditures above)	6,402,921	25,769,301	5,988,514	1,864,198
Debt service principal and interest as a percentage of noncapital expenditures	11.317%	10.708%	11.571%	13.165%

⁽¹⁾ The District implemented GASB Statement No. 84 in 2020. Amounts for fiscal year 2019 have been restated to reflect the implementation of this statement and years prior to 2019 have not been restated.

Source: School District financial records.

	2016	2015	2014	2013	2012	2011
\$	51,830,226	\$ 48,890,476	\$ 49,027,107	\$ 46,029,492	\$ 45,596,405	\$ 45,089,726
	455,000	227,500	-	-	-	-
	794,319	839,728	676,943	698,154	688,926	425,948
	3,530	30,199	37,384	23,789	22,711	9,662
	256,017	163,358	180,519	172,815	431,229	562,239
	858,000	858,059	868,105	926,508	1,028,386	982,339
	243,421	276,493	313,778	332,604	313,010	291,336
	237,855	241,858	234,840	245,786	257,721	253,414
	80,486	84,561	79,244	85,532	73,317	46,146
	573,317	222,504	201,817	155,672	212,665	185,001
	146,301	173,001	301,969	343,566	84,901	172,247
	12,698,494	13,659,297	13,766,095	13,205,762	14,191,851	15,722,569
	68,176,966	65,667,034	65,687,801	62,219,680	62,901,122	63,740,627
	19,913,671	20,232,577	22,186,800	23,173,399	23,070,405	22,340,830
	7,380,042	7,239,817	7,024,234	7,368,927	5,027,566	5,270,067
	1,008,643	948,826	865,520	170,464	261,561	258,978
	3,151	3,125	4,874	89,426	68,779	86,987
	1,707,108	1,535,347	1,753,655	2,029,622	1,991,929	1,579,574
	3,659,332	3,610,121	3,766,263	3,904,547	3,657,070	3,630,520
	1,532,568	1,697,595	1,878,517	1,733,345	3,836,991	3,569,005
	71,975	46,916	50,915	36,145	34,898	31,539
	2,865,404	2,716,512	2,984,298	2,746,947	3,048,722	2,960,532
	1,447,696	1,286,694	1,452,074	1,271,810	1,332,699	1,226,200
	382,702	417,487	467,070	443,576	414,840	383,740
	4,949,687	5,004,548	5,089,408	4,173,108	4,426,443	4,720,517
	3,588,283	3,749,652	4,005,405	4,402,418	4,221,894	4,691,657
	348,728	317,245	303,174	301,020	113,063	147,655
	1,141,498	1,097,093	1,178,951	1,168,207	1,302,398	1,230,889
	1,243,386	1,342,690	1,121,698	1,044,019	725,855	734,860
	1,438,805	1,362,133	1,516,214	1,599,205	1,502,937	1,576,940
	895,447	1,286,258	18,156,604	43,669,157	19,583,160	2,979,138
	-	430,188	-	-	-	-
	4,576,464	4,218,462	4,706,118	4,389,907	4,029,164	2,103,859
	3,402,014	3,890,105	4,816,384	4,952,402	4,977,989	4,209,828
	-	518,259	-	-	108,493	714,366
	-	-	-	-	-	-
	61,556,604	62,951,650	83,328,176	108,667,651	83,736,856	64,447,681
	6,620,362	2,715,384	(17,640,375)	(46,447,971)	(20,835,734)	(707,054)
	10,000	10,000	65,252	10,000	10,000	10,000
	(10,000)	(10,000)	(65,252)	(10,000)	(10,000)	(10,000)
	-	(60,711,594)	-	-	(6,967,612)	-
	27,122	170	16,367	-	427	407
	-	430,188	-	-	-	-
	-	58,530,000	-	-	6,540,000	84,055,000
	-	2,517,550	-	-	393,218	1,385,791
	27,122	766,314	16,367	-	(33,967)	85,441,198
\$	6,647,484	\$ 3,481,698	\$ (17,624,008)	\$ (46,447,971)	\$ (20,869,701)	\$ 84,734,144
	669,841	859,546	18,459,012	44,202,354	20,111,718	3,818,908
	13.104%	13.059%	14.680%	14.492%	14.157%	10.414%

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

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

Collection Year	Real Property		Public Utility		Total	
	Assessed Value	Estimated Actual Value ⁽¹⁾	Assessed Value	Estimated Actual Value ⁽¹⁾	Assessed Value	Estimated Actual Value
2020	\$ 1,560,431,440	\$ 4,458,375,543	\$ 32,709,670	\$ 37,170,080	\$ 1,593,141,110	\$ 4,495,545,622
2019 ⁽²⁾	1,547,978,250	4,422,795,000	30,844,930	35,051,057	1,578,823,180	4,457,846,057
2018	1,421,129,760	4,060,370,743	29,844,940	33,914,705	1,450,974,700	4,094,285,447
2017	1,415,841,400	4,045,261,143	27,951,630	31,763,216	1,443,793,030	4,077,024,359
2016 ⁽³⁾	1,400,587,290	4,001,677,971	25,840,090	29,363,739	1,426,427,380	4,031,041,710
2015	1,340,030,420	3,828,658,343	25,237,460	28,678,932	1,365,267,880	3,857,337,275
2014	1,330,437,240	3,801,249,257	24,094,940	27,380,614	1,354,532,180	3,828,629,871
2013 ⁽²⁾	1,344,496,130	3,841,417,514	21,853,120	24,833,091	1,366,349,250	3,866,250,605
2012	1,345,136,450	3,843,247,000	19,742,750	22,434,943	1,364,879,200	3,865,681,943
2011	1,351,387,610	3,861,107,457	18,395,760	20,904,273	1,369,783,370	3,882,011,730

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

⁽¹⁾ This amount is calculated based on the following percentages:
Real estate is assessed at 35 percent of actual value.
Public utility personal is assessed at varying rates of actual value.

⁽²⁾ Reappraisal of property values.

⁽³⁾ Triennial update of property values.

<u>%</u>	<u>Total Direct Tax Rate</u>
35.44%	\$ 69.15
35.42%	69.90
35.44%	69.90
35.41%	70.20
35.39%	70.10
35.39%	70.10
35.38%	70.10
35.34%	70.10
35.31%	70.10
35.29%	70.10

**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		
2019/2020	\$ 14.85	\$ 2.80	\$ 9.52	\$ 58.60	\$ 4.60	\$ 0.80	\$ 5.80	\$ 69.80
2018/2019	14.05	2.80	9.52	58.60	4.70	0.80	5.80	69.90
2017/2018	14.05	2.80	9.52	58.60	4.70	0.80	5.80	69.90
2016/2017	14.05	2.80	9.52	58.60	5.00	0.80	5.80	70.20
2015/2016	14.05	2.80	9.52	58.60	5.70	-	5.80	70.10
2014/2015	14.05	2.80	9.52	58.60	5.70	-	5.80	70.10
2013/2014	14.05	2.80	9.52	58.60	5.70	-	5.80	70.10
2012/2013	13.22	2.80	9.52	58.60	5.70	-	5.80	70.10
2011/2012	13.22	2.80	9.60	58.60	5.70	-	5.80	70.10
2010/2011	13.32	2.80	9.60	58.60	5.70	-	5.80	70.10

Source: Cuyahoga County Fiscal Officer's Office

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2019 AND DECEMBER 31, 2010

December 31, 2019			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
CP Commercial Delaware, LLC	\$ 49,319,270	1	3.16%
Blue Sky Property Co., LLC	38,534,800	2	2.47%
Cuyahoga County Port Authority	14,486,830	3	0.93%
Promenade Delaware	12,926,700	4	0.83%
Hyland Software, Inc	10,468,160	5	0.67%
ARC Westlake Village, Inc.	8,028,970	6	0.51%
Concord Reserve Realty	7,900,700	7	0.51%
Crocker Park Pase III LLC	7,000,330	8	0.45%
BCM Westlake, LLC	6,340,750	9	0.41%
Remington Westlake, LLC	6,326,010	10	0.41%
Total	\$ 161,332,520		10.35%
Total Real Estate Valuation	\$ 1,560,431,440		

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Toledo Lucas County Port Authority	\$ 38,920,310	1	2.88%
Promenade Delaware LLC	11,229,580	2	0.83%
Crocker Park LLC	8,921,590	3	0.66%
Energizer Battery Manufacturing	7,417,280	4	0.55%
ARC Westlake Village, Inc.	7,371,040	5	0.55%
University Hospitals Health System	7,215,120	6	0.53%
Sturbridge Square Apartments	7,035,010	7	0.52%
Remington Apartments NF LLC	6,755,010	8	0.50%
BCM Westlake, LLC	5,659,650	9	0.42%
Village in the Park	5,147,770	10	0.38%
Total	\$ 105,672,360		7.81%
Total Real Estate Valuation	\$ 1,351,387,610		

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, 2019 AND DECEMBER 31, 2010

December 31, 2019			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 21,548,210	1	65.88%
American Transmission System	6,004,220	2	18.36%
Columbia Gas of Ohio	5,111,140	3	15.63%
Total	\$ 32,663,570		99.85%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 32,709,670		

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 15,050,750	1	81.82%
Columbia Gas of Ohio	2,304,460	2	12.53%
Total	\$ 17,355,210		94.34%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 18,395,760		

Source: Cuyahoga County Fiscal Officer's Office

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

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

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Delinquent Levy ⁽²⁾</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>
2019/2020	\$ 55,210,316	\$ 2,040,168	\$ 57,250,484	\$ 53,740,054	97.34%
2018/2019	55,931,972	1,452,554	57,384,526	54,210,152	96.92%
2017/2018	53,911,754	1,326,642	55,238,396	52,840,860	98.01%
2016/2017	54,725,368	1,446,059	56,171,427	52,569,485	96.06%
2015/2016	54,333,616	1,879,339	56,212,955	52,419,363	96.48%
2014/2015	53,330,410	2,080,194	55,410,604	51,421,351	96.42%
2013/2014	52,734,065	2,490,055	55,224,120	50,798,705	96.33%
2012/2013	52,510,301	2,583,953	55,094,254	48,860,615	93.05%
2011/2012	52,383,722	1,845,185	54,228,907	49,233,603	93.99%
2010/2011	51,791,950	2,462,228	54,254,178	49,535,385	95.64%

Source: Cuyahoga County Fiscal Officer's Office

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

⁽²⁾ This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions. The amount reported for collection year 2018/2019 has been revised in the current CAFR based upon new information.

<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Total Levy</u>
\$ 1,003,765	\$ 54,743,819	95.62%
1,040,284	55,250,436	96.28%
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%

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

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

Fiscal Year	Governmental Activities					Percentage of Personal Income ⁽³⁾
	General Obligation Bonds ⁽¹⁾	Capital Leases	Total Primary Government	Per Capita ⁽²⁾	Per ADM ⁽²⁾	
2020	\$ 108,609,116	\$ 412,000	\$ 109,021,116	\$ 3,404	\$ 32,056	6.56%
2019	111,177,858	543,000	111,720,858	3,466	32,591	6.74%
2018	113,415,256	764,617	114,179,873	3,535	32,782	6.90%
2017	115,956,540	184,630	116,141,170	3,596	33,032	7.34%
2016	86,507,155	270,262	86,777,417	2,676	23,801	5.46%
2015	90,689,041	351,726	91,040,767	2,782	22,429	6.69%
2014	93,690,747	-	93,690,747	2,863	23,816	6.88%
2013	98,150,611	81,118	98,231,729	3,001	24,632	7.22%
2012	102,354,337	156,025	102,510,362	3,132	25,218	7.53%
2011	104,969,676	225,189	105,194,865	3,214	26,019	7.73%

Sources:

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

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

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

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

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

Fiscal Year	Total General Obligation Bonded Debt ⁽¹⁾	Net Position Restricted for Debt Service	Net General Obligation Bonded Debt	Percentage of Actual Taxable Value of Property ⁽²⁾	Per Capita ⁽³⁾
2020	\$ 108,609,116	\$ 7,902,022	\$ 100,707,094	2.24%	\$ 3,144
2019	111,177,858	8,695,943	102,481,915	2.30%	\$ 3,179
2018	113,415,256	7,570,414	105,844,842	2.59%	3,277
2017	115,956,540	6,687,246	109,269,294	2.68%	3,384
2016	86,507,155	6,440,435	80,066,720	1.99%	2,469
2015	90,689,041	4,195,669	86,493,372	2.24%	2,643
2014	93,690,747	4,420,547	89,270,200	2.33%	2,728
2013	98,150,611	4,502,719	93,647,892	2.42%	2,861
2012	102,354,337	6,449,616	95,904,721	2.48%	2,930
2011	104,969,676	6,177,809	98,791,867	2.54%	3,018

Sources:

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

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

⁽³⁾ See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for population information.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020**

Governmental Unit	Debt Attributable to Governmental Activities	Percentage Applicable to School District ⁽¹⁾	Amount of Direct and Overlapping Debt
Westlake City School District	\$ 109,021,116	100.00%	\$ 109,021,116
Overlapping debt:			
Cuyahoga County	245,120,000	5.77%	14,143,424
Cuyahoga Community College	207,010,000	5.77%	11,944,477
City of Westlake	59,785,000	100.00%	59,785,000
Total overlapping debt	<u>511,915,000</u>		<u>85,872,901</u>
Total direct and overlapping debt	<u>\$ 620,936,116</u>		<u>\$ 194,894,017</u>

Source: Cuyahoga County Budget Commission

⁽¹⁾ Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Voted Debt Limit</u>	<u>Total Debt Applicable to Limit ⁽¹⁾</u>	<u>Debt Service Available Balance</u>	<u>Net Debt Applicable to Limit</u>	<u>Voted Legal Debt Margin</u>	<u>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</u>
2020	\$ 143,382,700	\$ 108,609,116	\$ 8,487,473	\$ 100,121,643	\$ 43,261,057	69.83%
2019	142,094,086	107,465,000	9,365,592	98,099,408	43,994,678	69.04%
2018	130,587,723	109,510,000	8,193,415	101,316,585	29,271,138	77.59%
2017	129,941,373	111,845,000	7,405,013	104,439,987	25,501,386	80.37%
2016	128,378,464	80,850,000	8,621,342	72,228,658	56,149,806	56.26%
2015	122,874,109	83,600,000	7,419,662	76,180,338	46,693,771	62.00%
2014	121,907,896	89,205,000	6,524,247	82,680,753	39,227,143	67.82%
2013	122,971,433	91,705,790	6,450,170	85,255,620	35,591,603	69.33%
2012	122,839,128	93,113,312	6,466,914	86,646,398	29,743,114	70.54%
2011	123,280,503	97,524,685	6,263,482	91,261,203	25,841,524	74.03%

Source: Cuyahoga County Fiscal Officer and District financial records

Voted Debt Limit Calculation for Fiscal Year 2020

Assessed Value	\$ 1,593,141,110
Debt Limit (9% of assessed value)	X 9%
Voted Debt Limit	<u>\$ 143,382,700</u>

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

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

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rates ⁽³⁾		
					Cuyahoga County	Ohio	United States
2020	32,032	\$ 51,906	46.8	3,401	15.2%	11.1%	11.2%
2019	32,233	51,434	46.7	3,428	4.9%	4.2%	3.8%
2018	32,297	51,230	47.2	3,483	4.7%	4.6%	3.7%
2017	32,293	49,009	46.2	3,516	6.6%	5.0%	4.4%
2016	32,428	49,009	46.2	3,646	5.6%	5.0%	4.9%
2015	32,729	41,588	45.0	4,059	5.0%	4.3%	5.2%
2014	32,729	41,588	45.0	3,934	7.9%	5.5%	6.1%
2013	32,729	41,588	45.0	3,988	7.3%	7.2%	7.6%
2012	32,729	41,588	45.0	4,065	6.9%	7.0%	7.8%
2011	32,729	41,588	45.0	4,043	8.8%	9.2%	9.3%

Sources:

⁽¹⁾ U. S. Census Bureau. 2011-2015 census data, 2016 and 2017 census estimate.

⁽²⁾ School District records

⁽³⁾ Ohio Department of Job and Family Services, Office of Workforce Development -
Bureau of Labor Market Information

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	December 31, 2019		
	Employees	Rank	Percentage of Total City Employment
University Hospitals Health Systems Inc.	2,376	1	8.04%
Hyland Software	2,120	2	7.15%
American Greetings Corporation	1,443	3	4.87%
TA Operating, LLC	931	4	3.14%
Westlake City Schools	788	5	2.66%
City of Westlake	657	6	2.22%
Equity Administrative Services	405	7	1.37%
Cleveland Clinic Foundation	302	8	1.02%
Budget Dumpster LLC	286	9	0.97%
Energizer Manufacturing	111	10	0.37%
Total	9,419		31.81%
Total City Employment	29,632		

Employer	December 31, 2010		
	Employees	Rank	Percentage of Total City Employment
St. John Westshore Hospital	1,321	1	5.10%
Hyland Software	874	2	3.38%
Westlake City Schools	579	3	2.24%
City of Westlake	416	4	1.61%
Rae Ann Skilled Nursing & Rehabilitation	296	5	1.14%
Energizer Manufacturing Inc	361	6	1.39%
Travel Centers of America	341	7	1.32%
Lutheran Home	321	8	1.24%
Westbay Care and Rehabilitation	250	9	0.97%
Cleveland Clinic	225	10	0.87%
Total	4,984		19.25%
Total City Employees	25,896		

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

<u>Type</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Professional Staff:				
Teaching Staff:				
Elementary	90	92	94	90
Intermediate	42	43	42	40
Middle	42	42	42	42
High	73	75	75	75
Administration:				
District	21	20	20	20
Auxiliary Positions:				
Counselors	10	10	10	10
Nurses	2	2	2	2
Speech	7	7	7	7
Mental Health Specialists	5	4	4	4
Support Staff:				
Secretarial	39	34	34	34
Aides	81	68	69	71
Hall monitor/Security	-	9	9	10
Technical	3	3	3	3
Cooks	30	32	32	32
Custodial	30	36	36	36
Maintenance	6	7	7	7
Bus Driver	48	52	54	55
Mechanics	3	3	3	3
Extracurricular	156	200	200	200
Total	<u>688</u>	<u>739</u>	<u>743</u>	<u>741</u>

Source: School District records
Head-count only

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
90	88	88	92	92	87
44	43	41	42	43	43
42	43	48	50	50	50
74	75	87	89	89	89
20	20	20	20	22	21
9	9	7	10	10	10
2	2	2	2	2	2
7	7	7	7	8	8
4	4	4	4	4	4
34	36	42	42	42	42
69	68	68	71	72	72
9	9	9	9	9	12
3	3	2	2	2	2
32	34	21	34	33	33
36	37	38	34	34	34
7	7	6	6	6	6
58	61	56	70	73	78
3	3	3	3	3	3
200	200	200	200	200	200
<u>743</u>	<u>749</u>	<u>749</u>	<u>787</u>	<u>794</u>	<u>796</u>

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

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

Function	2020	2019	2018	2017
Instruction:				
Regular and Special				
Enrollment (students)	3,401	3,428	3,483	3,516
Graduates	290	305	296	271
Support services:				
Board of education				
Regular meetings per year	12	12	12	12
Administration				
Student attendance percentage	96.6%	94.3%	95.5%	95.0%
Fiscal				
Purchase orders processed	2,818	3,315	4,698	5,246
Nonpayroll checks issued	2,779	3,691	4,188	4,729
Operations and maintenance				
Work orders completed	432	790	280	879
Square footage maintained ⁽¹⁾	958,995	804,957	804,957	825,860
Extracurricular activities				
Varsity teams	26	26	25	23
Junior varsity teams	24	24	19	17
Food service operations				
Meals served to students	158,211	217,226	207,186	210,914

Source: School District records

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

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

2016	2015	2014	2013	2012	2011
3,646	4,059	3,934	3,988	4,065	4,043
321	322	357	314	309	310
12	12	12	12	12	12
95.8%	95.7%	95.7%	95.4%	95.4%	95.4%
5,200	6,325	6,227	5,846	5,534	5,450
4,997	4,967	4,949	5,182	5,183	5,231
965	482	558	597	578	473
825,860	825,860	825,860	604,625	604,625	604,625
22	22	22	22	22	22
16	19	19	19	19	19
223,628	226,991	227,870	228,464	266,278	252,337

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Land	\$ 2,576,787	\$ 2,576,787	\$ 2,576,787	\$ 2,468,751
Construction in progress	-	29,857,075	4,748,342	1,326,990
Land improvements	217,374	238,990	150,683	161,463
Buildings and improvements	135,396,202	102,662,123	105,287,289	106,812,970
Furniture and equipment	1,810,750	1,901,302	1,960,110	1,912,312
Vehicles	1,429,267	1,555,097	1,590,124	960,670
Textbooks and library books	-	-	-	-
 Total Governmental Activities Capital Assets, net	 <u>\$ 141,430,380</u>	 <u>\$ 138,791,374</u>	 <u>\$ 116,313,335</u>	 <u>\$ 113,643,156</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

2016	2015	2014	2013	2012	2011
\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751	\$ 2,468,751
401,514	122,167	-	66,212,623	22,561,980	3,116,957
133,606	140,847	148,088	155,329	162,570	169,811
109,106,769	111,670,872	114,356,858	33,804,606	34,857,016	35,905,928
1,852,711	2,003,405	1,696,724	1,797,168	1,921,098	1,959,376
1,045,422	1,195,607	1,405,631	1,594,653	1,748,308	2,039,236
241,790	494,703	681,145	657,790	641,484	517,196
<u>\$ 115,250,563</u>	<u>\$ 118,096,352</u>	<u>\$ 120,757,197</u>	<u>\$ 106,690,920</u>	<u>\$ 64,361,207</u>	<u>\$ 46,177,255</u>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Bassett Elementary (1967)[1987,1998] ⁽¹⁾				
Square feet	41,880	41,880	41,880	41,880
Capacity (students)	335	335	335	335
Enrollment	-	324	343	368
Dover Elementary (1949)[1970] ⁽¹⁾				
Square feet	43,671	43,671	43,671	43,671
Capacity (students)	352	352	352	352
Enrollment	-	339	336	316
Hilliard Elementary (1954)[1998] ⁽¹⁾				
Square feet	40,937	40,937	40,937	40,937
Capacity (students)	328	328	328	328
Enrollment	-	335	319	315
Holly Lane Elementary (1961)[1998] ⁽¹⁾				
Square feet	35,488	35,488	35,488	35,488
Capacity (students)	283	283	283	283
Enrollment	-	211	216	209
Westlake Elementary (2019) ⁽¹⁾				
Square feet	154,038	-	-	-
Capacity (students)	1,424	-	-	-
Enrollment	1,213	-	-	-
Parkside Intermediate (1966)[1998]				
Square feet	72,521	72,521	72,521	72,521
Capacity (students)	519	519	519	519
Enrollment	-	-	-	-
Dover Intermediate Schools (1975)[1982,1998,2014] ⁽⁴⁾				
Square feet	92,256	92,256	92,256	92,256
Capacity (students)	805	805	805	805
Enrollment	539	506	526	553
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	540	572	567	613
Westlake High School (1960)[1970,1988] ⁽²⁾				
Square feet	-	-	-	-
Capacity (students)	-	-	-	-
Enrollment	-	-	-	-
Westlake High School (2013)[1998,2004] ⁽³⁾				
Square feet	363,441	363,441	363,441	363,441
Capacity (students)	2,106	2,106	2,106	2,106
Enrollment	1,109	1,141	1,176	1,142
Administration Building (2003) ⁽⁵⁾				
Square feet	-	-	-	20,903
Transportation Facility				
Square feet	11,663	11,663	11,663	11,663
Total Square Feet	958,995	804,957	804,957	825,860
Total Capacity	7,192	5,768	5,768	5,768
Total Enrollment	3,401	3,428	3,483	3,516

Source: School District records

⁽¹⁾ The newly constructed 2019 Westlake Elementary replaced Bassett, Dover, Hilliard, and Holly Lane elementaries.

⁽²⁾ Building was demolished upon completion of the new Westlake High School.

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

⁽⁴⁾ Former Lee Burneson Facility renamed to Dover Intermediate School- 2014

⁽⁵⁾ Former Administration Building was transferred to the City of Westlake- 2018

Note: Year of original construction is in parentheses. Year of major addition/renovation is in brackets.
Increases in square footage and capacity are the result of renovations and additions.
Capacity is defined by standardized guidelines. District exceeded those guidelines in some years.

2016	2015	2014	2013	2012	2011
41,880	41,880	41,880	41,880	41,880	41,880
335	335	335	335	335	335
402	430	430	443	436	393
43,671	43,671	43,671	43,671	43,671	43,671
352	352	352	352	352	352
326	338	338	346	353	370
40,937	40,937	40,937	40,937	40,937	40,937
328	328	328	328	328	328
308	330	330	303	334	328
35,488	35,488	35,488	35,488	35,488	35,488
283	283	283	283	283	283
242	298	298	313	352	327
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
72,521	72,521	72,521	72,521	72,521	72,521
519	519	519	519	519	519
-	-	-	585	586	594
92,256	92,256	92,256	92,256	92,256	92,256
805	805	805	805	805	805
562	600	600	619	641	666
103,100	103,100	103,100	-	-	-
1,040	1,040	1,040	-	-	-
614	624	624	-	-	-
-	-	-	245,606	245,606	245,606
-	-	-	1,246	1,246	1,246
-	-	-	1,379	1,363	1,365
363,441	363,441	363,441	-	-	-
2,106	2,106	2,106	-	-	-
1,192	1,439	1,314	-	-	-
20,903	20,903	20,903	20,903	20,903	20,903
11,663	11,663	11,663	11,663	11,663	11,663
825,860	825,860	825,860	604,925	604,925	604,925
5,768	5,768	5,768	3,868	3,868	3,868
3,646	4,059	3,934	3,988	4,065	4,043

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment
	Expenditures ⁽¹⁾	Cost per pupil	Expenses ⁽¹⁾	Cost per pupil	
2020	\$ 60,109,718	\$ 17,674	\$ 58,349,635	\$ 17,157	3,401
2019	81,732,707	23,843	50,799,069	14,819	3,428
2018	60,329,364	17,321	29,887,633	8,581	3,483
2017	55,803,836	15,871	58,308,013	16,584	3,516
2016	53,578,126	14,695	55,729,634	15,285	3,646
2015	54,324,824	13,384	55,634,021	13,706	4,059
2014	73,805,674	18,761	59,591,017	15,148	3,934
2013	99,325,342	24,906	56,735,034	14,226	3,988
2012	74,621,210	18,357	56,108,545	13,803	4,065
2011	57,419,628	14,202	55,406,915	13,704	4,043

Source: School District records

⁽¹⁾ Debt Service totals have been excluded. Cost per pupil calculated using general government expenditures which utilize the modified accrual basis of accounting and on governmental activities expenses which utilize the accrual basis of accounting.

⁽²⁾ Full-time certificated teaching staff.

Percent Change	Teaching Staff ⁽²⁾	Pupil/Teacher Ratio	Student Attendance Percentage
-0.79%	247	13.77	96.60%
-1.58%	252	13.60	94.30%
-0.94%	253	13.77	95.50%
-3.57%	247	14.23	95.00%
-10.17%	250	14.58	95.80%
3.18%	249	16.30	95.70%
-1.35%	264	14.90	95.70%
-1.89%	273	14.61	95.40%
0.54%	274	14.84	95.40%
0.67%	269	15.03	95.40%

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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>

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OHIO AUDITOR OF STATE KEITH FABER



WESTLAKE CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/21/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov