

**West Geauga Local School District  
Chesterland, Ohio**

**EXCELLENCE**

**Through**

*Tradition & Innovation*

*Comprehensive Annual Financial Report*

*For the Fiscal Year Ended*

*June 30, 2003*





**Auditor of State  
Betty Montgomery**

Board of Education  
West Geauga Local School District  
8615 Cedar Road  
Chesterland, Ohio 44026

We have reviewed the Independent Auditor's Report of the West Geauga Local School District, Geauga County, prepared by Ciuni & Panichi, Inc., for the audit period July 1, 2002 through June 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The West Geauga Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

January 9, 2004

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# **West Geauga Local School District**

*Chesterland, Ohio*

## **Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 2003*

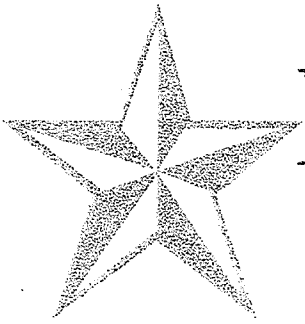
Prepared by

Treasurer's Office

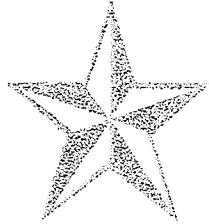
Thomas F. Babb

Treasurer

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# **Introductory Section**



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# West Geauga Local School District

## Comprehensive Annual Financial Report For The Year Ended June 30, 2003

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# West Geauga Local School District

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WEST  
GEAUGA  
SCHOOLS

EXCELLENCE

THROUGH

*Tradition & Innovation*



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BOARD OF EDUCATION 8615 Cedar Road Chesterland, Ohio 44026-3576 TELEPHONE (440) 729-5900 FAX (440) 729-5939

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December 19, 2003

Board of Education Members  
West Geauga Local School District

We are pleased to submit to you the fourth Comprehensive Annual Financial Report (CAFR) of the West Geauga Local School District for the fiscal year ended June 30, 2003. This CAFR includes an opinion from an independent public accountant 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, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the West Geauga Local School District with comprehensive financial data in a format, which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Geauga West Public Library, major taxpayers, financial rating services and other interested parties.

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

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

#### The School District

The West Geauga Local School District is located in western Geauga County and includes all of Chesterland and Russell Townships and portions of surrounding townships (Munson, South Russell, and Hunting Valley). The School District operates two elementary schools (K-5), one middle school (6-8), and one high school (9-12).

## Board of Education Members

The School District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide education services mandated by State and/or Federal agencies.

### Reporting Entity

The West Geauga Local School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity". In evaluating how to define the School District for financial reporting purposes, management has considered its relationship with all departments, boards, organizations and agencies that make up the West Geauga Local School District.

Excluded from the reporting entity because they are fiscally independent of the School District are West Geauga Athletic Boosters, West Geauga Band Boosters, West Geauga Parent Teacher Organizations, and the West Geauga Education Foundation.

The School District is associated with four jointly governed organizations and one insurance purchasing pool. These organizations are: the Lake Geauga Computer Association, the East Shore Regional Transportation System, the Ohio Schools Council and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 2 and 10 to the basic financial statements.

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

### Economic Condition and Outlook

Chester and Russell Townships enjoy picturesque rural residential communities with most of the residential areas zoned at three acre minimums in Russell Township and 1.5 acre minimums in Chester Township. Housing types range from modest homes selling for \$150,000 to multi-million dollar homes. West Geauga Local School District residents also enjoy the presence of West Geauga Commons, a recreational park located in Russell Township. The School District includes small commercial districts located at the intersection of State Routes 306 and 87 in Russell Township and around the intersection of State Routes 306 and 322 in Chester Township.

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. This is a result of House Bill 920, which mandates that any reappraised property increases results in an approximately equal value decrease in millage. Currently, the voted permanent millage in the district has been reduced to the state minimum of 20 mills. As a result, West Geauga Local Schools, as well as school districts throughout Ohio, must place operating funding issues on the ballot at regular intervals to keep pace with inflation and mandated programming and services.

## Board of Education Members

The community last showed its support for the School District by the passage of a \$3,700,000 emergency levy in February 2003 with tax collections beginning in January 2004. A \$1,800,000 emergency levy will expire with the final collection occurring in December 2003. Geauga County experienced a reappraisal of real estate in 2002 with tax collections beginning in January 2003. Since the School District is at the 20 mill floor, the lowest millage rate allowable by the State of Ohio, the School District's tax collections were raised to 20 mills in accordance with the law.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The Court reaffirmed its first two opinions, declaring the current system of school funding in the State of Ohio to be unconstitutional. The Court specifically identified the reliance on local property taxes to be the major impediment to a constitutionally appropriate system. The Court further stated that it is the responsibility of the Ohio Legislature to remedy the funding issues regardless as to the budgetary woes of the state. Finally, the Court relinquished its jurisdiction over the case. At the date of the issuance of this audit it is unclear as to what, if any impact, this decision may have on the school district.

### ***Major Initiatives***

***For the Year*** The challenge for West Geauga Local Schools to educate children on a stringent budget is getting even more difficult for our school district. The voters approved an additional 6.6 mill emergency operating levy in February 2003. The levy will raise \$3.7 million per year for four years with tax collection beginning in January 2004. The West Geauga Board of Education requested the 6.6 mill amount based on the five-year budget projections prepared by the district's treasurer. Funds will be used to maintain current programs only in the district. The school district receives approximately 70% of its revenue from local taxes, while 30% is state funded.

After anticipating the possibility of cuts to schools at the state level, the district received confirmation on March 5, 2003 that Governor Robert Taft ordered \$162 million in cuts to state spending to help balance Ohio's budget, including \$100 million in education cuts. As a result, West Geauga Local Schools will lose \$91,303 the fiscal year that runs from July 1, 2002 through June 30, 2003.

Unfortunately, our school district will also incur a reduction in state aid of approximately \$600,000 next fiscal year due to a recalculation of a formula called GAP Aid. The formula is based on millage, the dollars generated by the millage and property reappraisals. The recent reappraisals and the passage of the school levy put the district over the amount that the state uses in its calculation to provide GAP Aid, thus eliminating this portion of state aid to West Geauga Local Schools. This is a significant loss and was unanticipated based on the formula rules provided to the district last year. Regardless, if the levy had not passed, our school district would have suffered a greater financial burden that would not have made up this state subsidy. The loss of the funds by GAP Aid will affect the district for a minimum of the next three years.

West Geauga Local Schools has already taken steps to trim the district's conservative expenditures even further by putting a freeze on purchases and in other areas. Despite the fact that the district keeps a tight watch on funds and will continue to do so, the loss of these funding sources will necessitate continuing to manage our financial resources in a prudent and conservative manner throughout the duration of our recently passed levy and put a further strain on an already minimal carryover balance.

## Board of Education Members

### ***Primary accomplishments for 2003 were as follows:***

#### ***Financial***

Received the Certificate of Excellence in Financial Reporting from the Government Finance Officer's Association (GFOA) for the third consecutive year.

Received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for the third consecutive year.

#### ***Instruction***

The district received an overall rating of "excellent" on the March 2003 Local Report Card issued by the Ohio Department of Education by scoring 22 out of 22 state indicators.

The district received an overall rating of "excellent" on the August 2003 Local Report Card issued by the Ohio Department of Education by scoring 21 of 22 state indicators.

The district literacy plan, that was implemented to maximize reading achievement for students in grades K-5, completed its third year. The district has seen a steady rise in test scores in this area since the inception of this program.

West Geauga Local Schools is one of only 14% of the nation's 15,576 public school districts to receive the 2003 What Parents Want Award. SchoolMatch of Columbus, Ohio, the nation's largest independent school selection consulting firm, determines the award winners based on the criteria compiled from 95,000 parent questionnaires.

#### ***Community***

A public informational forum was held with panelists Kathy Leavenworth, West Geauga Board of Education president; Marlene Jennings, Ohio Board of Education member; James Betts, liaison for the Alliance for Adequate Education; West Geauga Board of Education Superintendent Anthony Podojil and Ohio Rep. Timothy Grendell that included roundtable discussions about school funding and other educational issues.

A written school/township community survey was mailed to residents in October 2002. The survey consisted of two parts, one focusing on township services and planning issues and the other examining resident opinion in relation to the operation of West Geauga Local Schools. Results of the school/township community survey received in April 2003 and discussions with community groups during a meeting held at the middle school in spring 2003 make it clear that the community sees the value of the school district, townships and local groups working together on common projects. To bring this concept to fruition, a Joint School District and Townships Task Force is being formed to assess community recreational and cultural needs while attempting to maximize the efficient use of public and community resources

***For the Future*** The mission of the West Geauga Local Schools is to help students reach their academic and career potential and pursue high ethical standards. To achieve this, we blend traditional practices with proven educational innovations, including technology, in an effort to achieve and maintain a standard of excellence.

## Board of Education Members

While holding these high expectations for our students is not new, the way our schools' and student achievement is measured and reported has changed due to the new federal law known as the No Child Left Behind Act (NCLB). President George W. Bush signed NCLB into law in January 2002. The goal of this legislation is to improve the achievement of every child in every classroom in every school. Under Ohio's accountability plan, this meant that on the August 2003 Local Report Card issued by the Ohio Department of Education, each child who took a state test during the 2002-003 school year was reported in our results (including the scores of students with disabilities and those with limited English proficiency). In addition, scores are listed by ethnicity. Individual schools as well as school districts received designations on the August 2003 Local Report Card. As a result, we are not comparing apples to apples with prior report card data. However, this will allow the district to look at our information as a new starting point.

As a result of this legislation, states are required to "raise the bar" by tracking adequate yearly progress (AYP) each year in order to meet the NCLB goal of having all students, including those with disabilities previously exempted, proficient in reading and math by the 2013-14 school year. AYP for 2003 is based on the prior year's results on Ohio's proficiency tests in reading and math.

Under NCLB, it's important for schools as a whole to meet AYP goals each year. If a school does not make AYP for two or more years in a row, the school could face sanctions, such as the loss of federal funding. As with any new legislation that is sweeping and complex, it will take a couple of years to fully understand and implement what schools must do to comply. Also, some areas of the law are still unclear and may be revised. However, the district will use the AYP reports as one more added source of information to provide the best possible education for our children.

While AYP is based on state test results, we believe our students are learning much more than what's measured on a single test on a single day. And while the bar has been raised, making it more difficult to reach all 22 indicators, this new reporting system gives schools an opportunity to make sure that ALL students succeed by tracking and measuring individual student's progress.

The primary focus of West Geauga Local Schools continues to be on educational programming. The district's programming serves our students, parents and community in an effort to continuously improve. This process involves assessing current programs, identifying areas in which to improve, developing options, selecting the best options, gathering measurable data and analyzing the results.

The school district has several programs already in place to help every student achieve at higher proficiency levels and improve results during the next school year. We have had a strong focus on literacy over the last several years, an area in which our test scores have risen considerably. The success of the literacy program will be used as a model to develop and implement a similar program in mathematics. Now as we turn our attention to mathematics, we expect the same steady and sustained improvement over time. One of our first initiatives taken in this regard was to purchase textbooks and instructional materials that are aligned with the new state academic standards recently developed by the Ohio Department of Education. In addition, efforts to provide high quality professional development for our teachers and administrators to make sure that the curriculum and instruction are aligned to state content standards have already begun over the summer.

With passage of the 6.6 mill levy on the February 2003 ballot, we made a pledge to voters to project our operating expenses so that the district could operate through the calendar year 2007. In our effort to honor this four-year commitment without putting another school levy on the ballot, it is imperative that the district maintain a watchful eye on finances. This is a challenge because we must provide the funds for our own programs with limited funding, in addition to providing money for unfunded government mandates at a time when state financial support is being reduced.



## Board of Education Members

To help meet these challenges, a newly-formed Finance Task Force is moving forward to engage the community in seeking unique and innovative ways to secure and maintain our funding sources. The task force will study and address alternative revenue sources such as school income tax and open enrollment. When the data has been compiled, the task force will present the information to the community in an open public forum. Through this process, we will strive to find a solution that is a balanced approach and meets the needs of property owners as well as wage earners.

### **Financial Information**

#### ***Internal Accounting and Budgetary Control***

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

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

Prior to the beginning of each fiscal year, the Board of Education adopts a temporary appropriations measure for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The Board of Education adopts a permanent appropriations measure in September.

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

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

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

Each account administrator is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each administrative cost center.

The basis of accounting and the various funds and account groups utilized by West Geauga Local School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

### ***Financial Condition***

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

#### ***Government-wide financial statements***

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

#### ***Fund financial statements***

These statements present information for individual 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.

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion is included in the financial section of this report, providing an assessment of the School District's finances for 2003. Because that discussion focuses on major funds, other non-major funds are discussed briefly in this letter.

#### ***Financial Highlights – Internal Service Fund***

At the conclusion of fiscal year 2002, the only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses related to the provision of health and dental benefits to the School District employees. The internal service fund had a net asset deficit of \$(349,904) at June 30, 2003 compared to a net asset deficit of \$(418,034) at June 30, 2002, reflecting a positive change in net assets of \$68,130.

#### **Cash Management**

The Board has established a cash management program that expedites the collection of local and state funds through electronic fund transfers and daily deposits. Funds are deposited in local financial institutions insured by the Federal Deposit Insurance Corporation as well as collateralized by investments in instruments issued by the United States Government or the State of Ohio. \$55,235 was credited to the general fund.

## Board of Education Members

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

### **Risk Management**

The School District established a self insurance internal service fund to account for and finance its health plan with Klais and Company, Inc. as the third party administrator. Effective December 1, 2002 the School District changed to a fully insured preferred provider organization with United Health Care as the health provider and Metlife as the dental provider and pays monthly premiums. Under the self insurance program claims were paid by the School District on a weekly basis and reported to the Board of Education monthly. During the period December 1, 2002 through November 30, 2003 the School District will continue to pay self insurance claims for services incurred prior to the December 1, 2002 change date.

Professional liability insurance is carried with Hylant Administration and Hartford Insurance through Harcum-Hyre Insurance Agency and has limits of \$1,000,000 for each occurrence and \$3,000,000 general aggregate, including employee benefit liability limits, qualified school groups, and employers' liability. The umbrella policy for the education liability has a \$1,000,000 limit for each occurrence and \$1,000,000 general aggregate limit; for the employers liability the limit is \$1,000,000; and for the fleet insurance there is a \$1,000,000 limit.

Property and fleet insurance is carried with Indiana Insurance Company through Lake Shore Insurance Agency. Property insurance includes boiler and machinery coverage as well as commercial inland marine coverage with a blanket limit of \$43,146,788 with a \$2,500 deductible. Fleet insurance has a limit of \$1,000,000 with a \$100 deductible for comprehensive and \$250 for collision coverage.

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program. Participation provides a lower premium rate per \$100 of salary than if the District were rated individually.

### **Independent Audit**

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

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with the financial report for the 1983 fiscal year.

## Board of Education Members

### Awards

#### *GFOA Certificate of Achievement*

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The School District was awarded the Certificate of Achievement for the fiscal year 2002 report. We believe that our current report conforms to the award requirements and we are submitting it to GFOA for consideration.

#### *ASBO Certificate*

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing business officials.

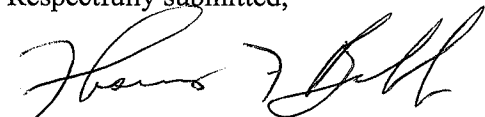
The School District was awarded the Certificate of Excellence for the fiscal year 2002 report. We believe that our current report conforms to the award requirements and we are submitting it to ASBO for consideration.

### Acknowledgements

The publication of this report is a significantly enhances the School District's accountability to the residents of the West Geauga Local School District. The preparation of this report would not have been possible without the work and support of Ciuni & Panichi, Inc. In addition, the staff of the Treasurer's office, various administrators and staff members of the School District, the Geauga County Auditor's staff and other outside agencies made possible the fair presentation of statistical data.

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

Respectfully submitted,



Thomas F. Babb  
West Geauga Local School District Treasurer



Dr. Anthony Podojil  
West Geauga Local School District Superintendent

**West Geauga Local School District**

*Principal Officials*  
*June 30, 2003*

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***Board of Education***

Mrs. Kathy Leavenworth ..... President  
Mrs. Sally Gillmore ..... Vice-President  
Mr. William Beers ..... Member  
Mrs. Pamela Makowski ..... Member  
Mrs. Sheri Patti ..... Member

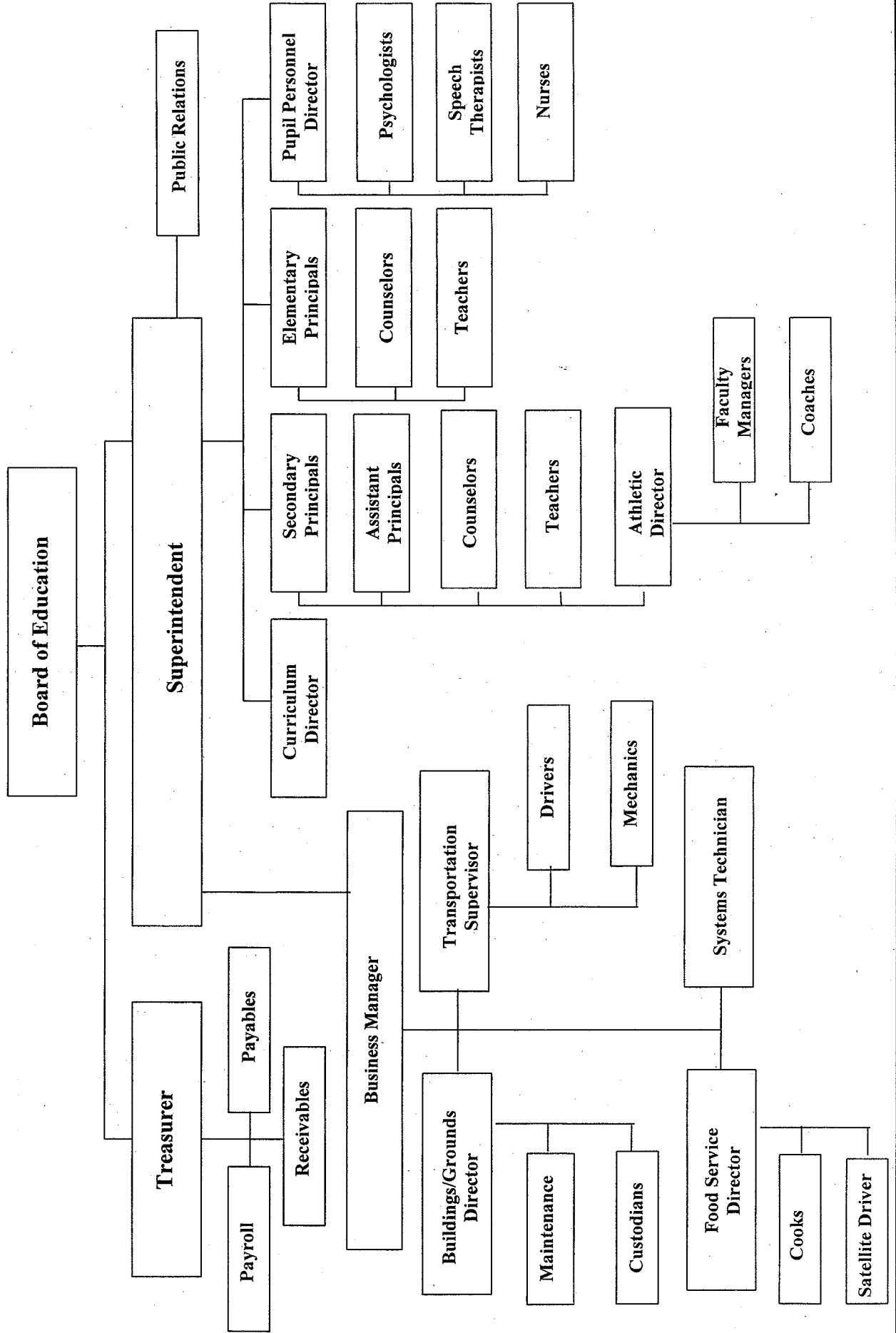
***Treasurer***

Mr. Thomas F. Babb

***Superintendent***

Dr. Anthony Podojil

# West Geauga Local School District



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## West Geauga Local School District, Ohio

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

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**WEST GEAUGA SCHOOL DISTRICT**

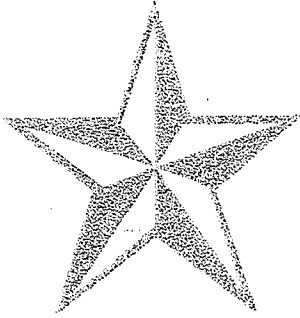
For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2002

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

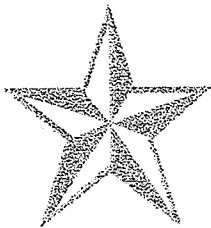
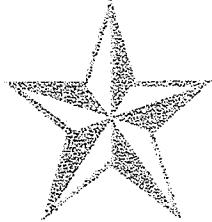
  
President

  
Executive Director





# **Financial Section**



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## Independent Auditor's Report

Board of Education  
West Geauga Local School District  
Chesterland, Ohio

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the West Geauga Local School District (the "District") as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the *Table of Contents*. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Interpretation No. 6 and changed its accounting for capital assets.

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

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

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

A handwritten signature in black ink, appearing to read "C. F. ...". The signature is written in a cursive style with a large initial "C" and a long, sweeping underline.

Cleveland, Ohio  
December 19, 2003

**West Geauga Local School District**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2003**

**Unaudited**

The discussion and analysis of the West Geauga Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2003 are as follows:

- In total, net assets increased \$214,246. Net assets of governmental activities increased \$230,854, which represents a 186.05% increase from 2002. Net assets of business-type activities decreased \$16,608, which represents a 2.61% decrease from 2002.
- General revenues accounted for \$19,340,478 in revenue or 82.59% of all revenues. Program specific revenues in the form of charges for services and operating grants accounted for \$4,076,464 in revenue or 17.41% of all revenues. The total of all revenues was \$23,416,942 for 2003.
- The District had \$23,092,384 expenses related to government activities. \$4,076,464 of these expenses were offset by charges for services or operating grants. General revenues supporting governmental activities (primarily property taxes, unrestricted grants and entitlements) of \$19,340,478 were sufficient to provide for the balance of these programs resulting in a \$230,854 increase in net assets from \$30,372 in 2002 to \$354,930 in 2003.
- The District had \$611,013 expenses related to business-type activities. \$594,339 of these expenses were offset by charges for services or operating grants. General revenues include only investment earnings of \$66. Total revenues were not adequate to provide for these programs resulting in a \$16,608 decrease in net assets from \$637,084 in 2002 to \$620,476 in 2003.
- The District had two major governmental funds, the general fund and debt service fund. The general fund had \$18,648,362 in revenues and \$19,298,445 in expenses. The general fund's fund balance decreased \$(475,912) from \$153,945 as of June 30, 2002 to \$(321,967) at June 30, 2003. The debt service's fund balance increased \$170,112 for \$1,248,986 at June 30, 2002 to \$1,419,098 at June 30, 2003.
- In February 2003 the District passed a \$3,700,000 emergency levy for operating purposes. Collections will begin in January 2004 and continue through December 2007. This levy will allow the district to maintain operations during the next four years.

**West Geauga Local School District**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2003**

**Unaudited**

**Using this Comprehensive Annual Financial Report**

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole 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 non-major funds presented in total in one column. In the case of the District the general fund and debt service funds are the most significant and the only funds reported as major funds.

**Reporting the District as a Whole**

*The Statement of Net Assets and Statement of Activities*

While reading these reports the most important questions asked about the District's finances are, "How did we do financially during 2003" and "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer these questions. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. The change in net assets provides the reader a tool to assist in determining whether the District's financial health is improving or diminishing. Non-financial factors such as; property tax base, current property tax laws in Ohio which restrict revenue growth, student enrollment changes, and facility conditions should be considered when reviewing the overall position of the District.

In the Statement of Net Assets and the Statement of Activities the District is divided into two types of activities, governmental activities and business-type activities. Governmental activities, the larger of the two, include instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. Business-type activities include those services that are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. Food services are included in business-type activities.

**West Geauga Local School District**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2003**  
**Unaudited**

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

Our analysis of the District's major funds begins on page 16. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

*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 other financial assets that can readily be converted to cash. The governmental fund 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 less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

*Proprietary Funds*

Proprietary funds use the same basis of accounting as business-type activities; therefore the statements will essentially match the business-type activities portion of the entity-wide statements.

**West Geauga Local School District**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2003**

**Unaudited**

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, total assets exceeded liabilities by \$975,406 at June 30, 2003.

A comparative analysis of fiscal year 2003 to 2002 follows:

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Current Assets	\$ 17,711,930	\$ 16,761,021	\$ 14,716	\$ 39,668	\$ 17,726,646	\$ 16,800,689
Capital Assets	<u>16,025,293</u>	<u>16,474,708</u>	<u>629,286</u>	<u>663,506</u>	<u>16,654,579</u>	<u>17,138,214</u>
Total Assets	<u>33,737,223</u>	<u>33,235,729</u>	<u>644,002</u>	<u>703,174</u>	<u>34,381,225</u>	<u>33,938,903</u>
Current Liabilities	17,459,268	15,017,855	23,526	66,090	17,482,794	15,083,945
Long Term Liabilities	<u>15,923,025</u>	<u>18,187,502</u>	-	-	<u>15,923,025</u>	<u>18,187,502</u>
Total Liabilities	<u>33,382,293</u>	<u>33,205,357</u>	<u>23,526</u>	<u>66,090</u>	<u>33,405,819</u>	<u>33,271,447</u>
Net Assets:						
Invested in Capital						
Assets, net of debt	974,708	48,412	-	-	974,708	48,412
Restricted	1,835,012	1,959,335	-	-	1,835,012	1,959,335
Unrestricted (Deficit)	<u>(2,454,790)</u>	<u>(1,977,375)</u>	<u>620,476</u>	<u>637,084</u>	<u>(1,834,314)</u>	<u>(1,340,291)</u>
Total Net Assets	<u>\$ 354,930</u>	<u>\$ 30,372</u>	<u>\$ 620,476</u>	<u>\$ 637,084</u>	<u>\$ 975,406</u>	<u>\$ 667,456</u>

A portion of the District's net assets reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The unrestricted net assets may be used to meet the District's ongoing activities.

The following table gives readers further details regarding the results of activities for the current year what makes up the changes in net assets. However, since this is the first year the District has prepared financial statements following GASB 34, revenue and expense comparisons to 2002 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.



**West Geauga Local School District**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2003**

**Unaudited**

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$3,098,621	\$564,894	\$3,663,515
Operating Grants	977,843	29,445	1,007,288
Total Program Revenues	<u>4,076,464</u>	<u>594,339</u>	<u>4,670,803</u>
General Revenues			
Property Taxes	12,970,443	0	12,970,443
Grants and Entitlements	6,194,312	0	6,194,312
Investment Earnings	59,244	66	59,310
Miscellaneous	116,479	0	116,479
Total General Revenues	<u>19,340,478</u>	<u>66</u>	<u>19,340,544</u>
Total Revenues	<u>23,416,942</u>	<u>594,405</u>	<u>24,011,347</u>
<b>Expenses</b>			
Program Expenses			
Instruction:			
Regular	9,252,284		9,252,284
Special	1,679,235		1,679,235
Vocational	261,332		261,332
Other	328,953		328,953
Support Services:			
Pupil	1,660,194		1,660,194
Instructional Staff	790,613		790,613
Board of Education	62,082		62,082
Administration	2,451,753		2,451,753
Fiscal Services	506,582		506,582
Business	169,774		169,774
Operation & Maintenance	2,103,318		2,103,318
Pupil Transportation	1,560,380		1,560,380
Central	96,266		96,266
Fiscal	-		-
Community Services	521,942		521,942
Extracurricular Activities	695,640		695,640
Interest and Fiscal Charges	952,036		952,036
Food Service	-	444,457	444,457
Uniform School Supplies	-	160,824	160,824
Adult Education	-	5,732	5,732
Total Expenses	<u>23,092,384</u>	<u>611,013</u>	<u>23,703,397</u>
Change in Net Assets	<u>\$ 324,558</u>	<u>\$ (16,608)</u>	<u>\$ 307,950</u>

**West Geauga Local School District**  
**Management's Discussion & Analysis**  
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**Governmental Activities**

Net assets of the District's governmental activities increased \$230,854. Total governmental expenses of \$23,092,384 were primarily offset by program revenues of \$4,076,464 and general revenues of \$19,340,478. Program revenues supported 17.65% of the total governmental expenses.

The primary sources of revenue for governmental activities are property taxes and grants and entitlements. These two revenue sources combine to account for 81.80% of total governmental revenue. Property taxes support 56.05% of total expenses while grants and entitlements supported 26.77% of total expenses. These two revenue sources combined to support 82.82% of total governmental expenses.

Property tax laws in Ohio create the need to periodically seek voter approval for additional operating funds. Tax revenues generated from a levy do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation providing the District the same amount of tax dollars as originally approved. School districts, such as ours, that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues management of the resources is of paramount concern to District' administration and the voting public. The District utilizes a five-year cash financial forecast to estimate revenues and control expenditures to assure tax levy revenues can maintain operations for a significant period of time. The current forecast does not reflect a need for additional operating resources until fiscal year 2007.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

**West Geauga Local School District**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2003**

**Unaudited**

	Governmental Activities	
	Total Cost of Services 2003	Net Cost of Services 2003
Program Expenses		
Instruction:		
Regular	\$ 9,252,284	\$ 6,965,773
Special	1,679,235	1,376,371
Vocational	261,332	233,130
Other	328,953	328,953
Support Services:		
Pupil	1,660,194	1,656,594
Instructional Staff	790,613	736,498
Board of Education	62,082	(577,945)
Administration	2,451,753	2,451,753
Fiscal Services	506,582	497,022
Business	169,774	169,774
Operation & Maintenance	2,103,318	1,696,407
Pupil Transportation	1,560,380	1,511,019
Central Services	96,266	89,266
Community Services	521,942	486,854
Extracurricular Activities	695,640	442,415
Interest and Fiscal Charges	952,036	952,036
Total Expenses	\$ 23,092,384	\$ 19,015,920

**Business-Type Activities**

Business-type activities include food service operation, uniform supplies and adult education. These programs had revenues of \$594,405 and expenses of \$611,013 for fiscal year 2003. The food service operations had expenses of \$457,980 and revenues of \$437,653. This resulted in a decrease to net assets for the fiscal year of \$20,327. The uniform supplies operations had expenses of \$160,824 and revenues of \$166,435. This resulted in a increase to net assets for the fiscal year of \$5,611. The adult education operations had expenses of \$5,732 and revenues of \$3,840. This resulted in an decrease to net assets for the fiscal year of \$1,892. Management assesses the performance of each of these funds to ensure that they are run efficiently.

**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$1,609,239, which is a \$472,723 decrease from last year's total of \$2,081,962. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2003 and 2002.

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	<u>Fund Balance</u> <u>June 30, 2003</u>	<u>Fund Balance</u> <u>June 30, 2002</u>	<u>Increase</u> <u>(Decrease)</u>
General	\$ (321,967)	\$ 153,945	\$ (475,912)
Debt Service	1,419,098	1,248,986	170,112
Other Governmental	<u>512,108</u>	<u>679,031</u>	<u>(166,923)</u>
Total	\$ <u>1,609,239</u>	\$ <u>2,081,962</u>	\$ <u>(472,723)</u>

**General Fund**

The District's general fund balance decrease is due to many factors. The tables and graphs that follow assist in illustrating the financial activities and balance of the general fund.

	<u>2003</u> <u>Amount</u>	<u>2002</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<i>Revenues</i>			
Taxes	\$ 12,476,625	\$ 11,325,245	10.17%
Interest Earnings	55,235	113,627	(51.39)
Intergovernmental	5,958,464	5,228,692	13.96
Other Revenue	<u>158,038</u>	<u>61,506</u>	156.95
Total	\$ <u>18,648,362</u>	\$ <u>16,729,070</u>	

The property tax revenue is up \$1,151,380 due primarily to property tax re-evaluations. The District anticipates tax collections in fiscal year 2004 will be similar to fiscal year 2003. Interest earnings decreased \$58,392 due to dramatic decreases in interest rates by the Federal Reserve Bank. Intergovernmental revenues and other revenues increased \$729,772 and \$96,532 respectively due to an increase in state aid and miscellaneous fees.

The graph below illustrates general fund expenditures.

	<u>2003</u> <u>Amount</u>	<u>2002</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<i>Expenditures by Object</i>			
Instruction	\$ 10,684,243	\$ 10,001,375	6.82%
Support Services	8,044,238	7,735,138	4.00
Operation of Non-Instructional			
Services	128,499	74,921	71.51
Extracurricular Activities	<u>441,465</u>	<u>485,055</u>	(8.99)
Total	\$ <u>19,298,445</u>	\$ <u>18,296,489</u>	

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Expenditures are up \$1,001,956 or 5.5% over the prior year mostly due to salary and benefit increases associated with new and existing staff and significant health insurance increases.

**Debt Service Fund**

The District's debt service fund balance increased by \$170,112 due to increased property tax revenues. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund include debt principal and interest payments as well as county auditor and treasurer fees. Due to property reassessments and a refinancing of the School Improvement Bonds in 2001 the District reduced the tax rate by one half of one mill during the fiscal year. The remaining fund balance will be used to make upcoming debt payments as they become due.

**Other Funds**

Other governmental funds consist of special revenue and capital projects funds. The increase/decrease in fund balance is primarily due to the spending down of resources available in the SchoolNet Plus funds.

**General Fund Budget Information**

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District amended its revenue estimates to reflect changes in originally anticipated revenues from taxes, interest and state sources. The final budget for expenditures increased by \$353,816 over the original budget primarily due to increased staff and health insurance costs. Other appropriations required changes in functional categories due to spending patterns.

The District utilizes the five-year forecast as the original document from which to form the operating budget. After updating of the forecast for changes in revenue and expenditure assumptions the operating budget begins at the school level. Each school in the district receives a per pupil allocation augmented with resources for special education students in the specific buildings. The departments then receive the remainder of funds to bring the budget into balance with the five-year forecast. The site and department budgets are reviewed periodically to ensure management becomes aware of any significant variations during the year.

**Capital Assets**

The District has \$16,654,579 invested in capital assets net of depreciation, with \$16,025,293 attributed to governmental activities. Acquisitions for governmental activities totaled \$516,503 and depreciation was

**West Geauga Local School District**  
**Management's Discussion & Analysis**  
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\$965,918. The majority of the acquisitions were for furniture and computer equipment replacement throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 8).

**Debt Administration**

At June 30, 2003, the District had \$15,660,000 in outstanding bonds payable. Of this total, \$1,215,000 is due within one year and \$14,445,000 is due through fiscal 2013. The District paid \$1,100,000 in principal on bonds outstanding during the fiscal year. Detailed information regarding long term debt and notes payable activity is included in the notes to the basic financial statements (Note 14).

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2003, the District's general obligation debt was below the legal limit.

**Restrictions and Other Limitations**

With the passage of the February 2003 emergency levy, the District is in the position to continue provide continuing a high quality of educational programs. However, the future financial stability of the District is not without challenges.

The first challenge is for management to ensure resources can be preserved as long as possible. Operating and capital budgets are being utilized by management to manage financial resources effectively. The District has convened a finance task force to explore and examine issues facing the District in the near and far term and to provide recommendations to the Board of Education on their findings.

The second challenge facing the District is based in the local economy. The District has experienced minimal growth during the past several years. Projections indicate that the growth rate of the District will remain level for the next ten years. If this pattern changes adjustments may have to be made to the financial models upon which assumptions have been made. Also, a sustained economic slowdown could result in revenue forecasts having to be revised downward. Either of these scenarios could cause the District to scale down the educational program offerings or seek additional resources.

The last challenge facing the District is the future of state funding. On December 11, 2002 the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding system is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient..." The District is unable to determine what effect, if any, this decision will have on future funding from the State. Additionally, in April 2003 the State reduced funding for the remainder of the fiscal year ended June 30, 2003. The current State biennial budget resulted in a \$266,819 reduction in funding for the District in fiscal year 2004. Continued uncertainty exists regarding future State funding.

**West Geauga Local School District**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2003**  
**Unaudited**

**Contacting the District's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Thomas Babb, Treasurer, West Geauga Local School District, 8615 Cedar Road, Chesterland, Ohio 44026 or by calling (440) 729-5900.

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# West Geauga Local School District

## Statement of Net Assets

June 30, 2003

	Primary Government		Total
	Governmental Activities	Business - Type Activities	
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,845,561	\$ 32,605	\$ 1,878,166
Taxes Receivable	15,652,387	-	15,652,387
Accounts Receivable	18,947	2,171	21,118
Intergovernmental Receivable	147,014	4,911	151,925
Internal Balances	36,160	(36,160)	-
Inventory Held for Resale	-	11,189	11,189
Materials and Supplies Inventory	11,861	-	11,861
Capital Assets:			
Depreciable Capital Assets	15,658,913	629,286	16,288,199
Nondepreciable Capital Assets	<u>366,380</u>	<u>-</u>	<u>366,380</u>
Total Assets	<u>33,737,223</u>	<u>644,002</u>	<u>34,381,225</u>
<u>Liabilities</u>			
Accounts Payable	222,247	357	222,604
Accrued Wages and Benefits	1,396,944	-	1,396,944
Accrued Compensated Absences	1,031,166	12,355	1,043,521
Intergovernmental Payable	360,923	471	361,394
Deferred Revenue	14,116,445	-	14,116,445
Accrued Pension	-	10,343	10,343
Special Termination Benefits Payable	187,500	-	187,500
Accrued Interest Payable	144,043	-	144,043
Long-Term Liabilities:			
Due Within One Year	1,478,025	-	1,478,025
Due In More Than One Year	<u>14,445,000</u>	<u>-</u>	<u>14,445,000</u>
Total Liabilities	<u>33,382,293</u>	<u>23,526</u>	<u>33,405,819</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	974,708	-	974,708
Restricted for:			
Debt Service	1,444,674	-	1,444,674
Capital Projects	339,551	-	339,551
Other Purposes	50,787	-	50,787
Unrestricted (Deficit)	<u>(2,454,790)</u>	<u>620,476</u>	<u>(1,834,314)</u>
Total Net Assets	\$ <u>354,930</u>	\$ <u>620,476</u>	\$ <u>975,406</u>

# West Geauga Local School District

## Statement of Activities

For the Fiscal Year Ended June 30, 2003

	<u>Expense</u>	<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<u>Government Activities</u>				
Instruction:				
Regular Education	\$ 9,252,284	\$ 2,151,924	\$ 134,587	\$ (6,965,773)
Special Education	1,679,235	6,475	296,389	(1,376,371)
Vocational Education	261,332	-	28,202	(233,130)
Other Instruction	328,953	-	-	(328,953)
Support Services:				
Pupil	1,660,194	3,600	-	(1,656,594)
Instructional Staff	790,613	-	54,115	(736,498)
Board of Education	62,082	640,027	-	577,945
Administration	2,451,753	-	-	(2,451,753)
Fiscal Services	506,582	-	9,560	(497,022)
Business	169,774	-	-	(169,774)
Operation and Maintenance of Plant	2,103,318	-	406,911	(1,696,407)
Pupil Transportation	1,560,380	8,282	41,079	(1,511,019)
Central	96,266	-	7,000	(89,266)
Operation of Non-Instructional Services:				
Community Services	521,942	35,088	-	(486,854)
Extracurricular Activities	695,640	253,225	-	(442,415)
Interest and Fiscal Charges	952,036	-	-	(952,036)
Total Governmental Activities	<u>23,092,384</u>	<u>3,098,621</u>	<u>977,843</u>	<u>(19,015,920)</u>
<u>Business-Type Activities</u>				
Food Service	444,457	394,619	29,445	-
Uniform School Supplies	160,824	166,435	-	-
Adult Education	5,732	3,840	-	-
Total Business-Type Activities	<u>611,013</u>	<u>564,894</u>	<u>29,445</u>	<u>-</u>
 Totals	 <u>\$ 23,703,397</u>	 <u>\$ 3,663,515</u>	 <u>\$ 1,007,288</u>	 <u>(19,015,920)</u>
<u>General Revenues</u>				
Property Tax Levied for:				
General Purposes				12,431,877
Debt Service				33,974
Capital Projects				504,592
Grants and Entitlements not Restricted to Specific Programs				6,194,312
Investment Earnings				59,244
Miscellaneous				116,479
Total General Revenues				<u>19,340,478</u>
Change in Net Assets				324,558
Net Assets at Beginning of Year				<u>30,372</u>
Net Assets at End of Year				<u>\$ 354,930</u>

The Notes to the General Purpose Financial Statements are an Integral Part of this Statement

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<u>Business- Type Activities</u>	<u>Total</u>
-	(6,965,773)
-	(1,376,371)
-	(233,130)
-	(328,953)
-	(1,656,594)
-	(736,498)
-	577,945
-	(2,451,753)
-	(497,022)
-	(169,774)
-	(1,696,407)
-	(1,511,019)
-	(89,266)
-	(486,854)
-	(442,415)
-	(952,036)
<u>-</u>	<u>(19,015,920)</u>
(20,393)	(20,393)
5,611	5,611
<u>(1,892)</u>	<u>(1,892)</u>
<u>(16,674)</u>	<u>(16,674)</u>
<u>(16,674)</u>	<u>(19,032,594)</u>
-	12,431,877
-	33,974
-	504,592
-	6,194,312
66	59,310
-	<u>116,479</u>
<u>66</u>	<u>19,340,544</u>
(16,608)	307,950
<u>637,084</u>	<u>667,456</u>
\$ <u>620,476</u>	\$ <u>975,406</u>

# West Geauga Local School District

## Balance Sheet – Governmental Funds

June 30, 2003

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 169,925	\$ 1,230,524	\$ 445,081	\$ 1,845,530
Taxes Receivable	13,219,761	1,917,716	514,910	15,652,387
Accounts Receivable	3,638	-	2,084	5,722
Intergovernmental Receivable	-	-	147,014	147,014
Interfund Receivable	405,704	-	-	405,704
Materials and Supplies Inventory	11,861	-	-	11,861
Total Assets	<u>\$ 13,810,889</u>	<u>\$ 3,148,240</u>	<u>\$ 1,109,089</u>	<u>\$ 18,068,218</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ 155,656	\$ -	\$ 66,466	\$ 222,122
Accrued Wages and Benefits	1,378,937	-	18,007	1,396,944
Accrued Compensated Absences	51,930	-	-	51,930
Intergovernmental Payable	357,045	-	3,878	360,923
Interfund Payable	-	-	6,509	6,509
Deferred Revenue	12,101,788	1,729,142	502,121	14,333,051
Special Termination Benefits Payable	87,500	-	-	87,500
Total Liabilities	<u>14,132,856</u>	<u>1,729,142</u>	<u>596,981</u>	<u>16,458,979</u>
Fund Balances:				
Reserve for Encumbrances	92,697	-	84,477	177,174
Reserve for Inventory	11,861	-	-	11,861
Reserve for Property Taxes	1,117,973	188,574	40,408	1,346,955
Unreserved; Undesignated (Deficit)	<u>(1,544,498)</u>	<u>1,230,524</u>	<u>387,223</u>	<u>73,249</u>
Total Fund Balances (Deficit)	<u>(321,967)</u>	<u>1,419,098</u>	<u>512,108</u>	<u>1,609,239</u>
Total Liabilities and Fund Balances	<u>\$ 13,810,889</u>	<u>\$ 3,148,240</u>	<u>\$ 1,109,089</u>	<u>\$ 18,068,218</u>

The Notes to the Financial Statements are an Integral Part of this Statement

## West Geauga Local School District

### Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

**June 30, 2003**

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Total Governmental Funds Balances \$ 1,609,239

*Amounts Reported for Governmental Activities in the Statement  
of Net Assets are different because:*

Capital Assets Used in Governmental Activities are not Financial  
Resources and therefore are not reported in the Funds. 16,025,293

Other Long-Term Assets are not available to pay for current-  
period expenditures and therefore are deferred in the Funds.

Property Taxes	188,987
Intergovernmental	<u>27,619</u>

216,606

In the Statement of Activities, Interest is accrued on outstanding  
bonds, whereas in Governmental Funds, an interest expenditure  
is reported when due. (144,043)

Internal Service Funds are used by management to charge the  
costs of certain activities, such as insurance to individual funds.  
The assets and liabilities of the Internal Service Fund are  
included in Governmental Activities in the Statement of Net  
Assets. (349,904)

Long-Term Liabilities are not due and payable in the current  
period and are therefore not reported in the Funds.

General Obligation Bonds	(15,760,000)
Accrued Pension	(177,874)
Compensated Absences	<u>(1,064,387)</u>

(17,002,261)

*Net Assets of Governmental Activities* \$ 354,930

# West Geauga Local School District

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

For The Fiscal Year Ended June 30, 2003

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Taxes	\$ 12,476,625	\$ 33,974	\$ 504,592	\$ 13,015,191
Tuition	-	1,986,924	6,475	1,993,399
Transportation Fees	8,282	-	-	8,282
Earnings on Investments	55,235	-	4,009	59,244
Extracurricular Activities	11,147	-	322,452	333,599
Miscellaneous	138,609	-	63,234	201,843
Intergovernmental	<u>5,958,464</u>	<u>241,407</u>	<u>944,665</u>	<u>7,144,536</u>
Total Revenues	<u>18,648,362</u>	<u>2,262,305</u>	<u>1,845,427</u>	<u>22,756,094</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	8,505,410	-	301,786	8,807,196
Special Education	1,594,696	-	104,640	1,699,336
Vocational Education	255,184	-	-	255,184
Other Instruction	328,953	-	-	328,953
Support Services:				
Pupils	1,432,218	-	223,385	1,655,603
Instructional Staff	681,087	-	70,616	751,703
Board of Education	38,617	-	-	38,617
Administration	1,812,685	-	27,471	1,840,156
Fiscal Services	466,004	29,702	7,872	503,578
Business	168,347	-	-	168,347
Operations and Maintenance				
- Plant	1,968,971	-	320,902	2,289,873
Pupil Transportation	1,414,888	-	121,172	1,536,060
Central Services	61,421	-	20,078	81,499
Community Services	128,499	-	443,579	572,078
Extracurricular Activities	441,465	-	234,628	676,093
Debt Service:				
Principal Payment	-	1,100,000	-	1,100,000
Interest and Fiscal Charges	-	962,491	-	962,491
Total Expenditures	<u>19,298,445</u>	<u>2,092,193</u>	<u>1,876,129</u>	<u>23,266,767</u>
Excess of Revenues Over (Under) Expenditures	<u>(650,083)</u>	<u>170,112</u>	<u>(30,702)</u>	<u>(510,673)</u>

The Notes to the Financial Statements are an Integral Part of this Statement

# West Geauga Local School District

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (continued)

For The Fiscal Year Ended June 30, 2003

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	\$ 54,120	\$ -	\$ 152	\$ 54,272
Refund of Prior Years Receipts	-	-	(16,322)	(16,322)
Transfers – In	128,760	-	13,785	142,545
Transfers – Out	<u>(8,709)</u>	<u>-</u>	<u>(133,836)</u>	<u>(142,545)</u>
Total Other Financing Sources (Uses)	<u>174,171</u>	<u>-</u>	<u>(136,221)</u>	<u>37,950</u>
Excess of Revenues and Other Financing Sources Over (Under Expenditures and Other Financing Uses)	(475,912)	170,112	(166,923)	(472,723)
Fund Balance at Beginning of Year	<u>153,945</u>	<u>1,248,986</u>	<u>679,031</u>	<u>2,081,962</u>
Fund Balance (Deficit) at End of Year	\$ <u><u>(321,967)</u></u>	\$ <u><u>1,419,098</u></u>	\$ <u><u>512,108</u></u>	\$ <u><u>1,609,239</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

# West Geauga Local School District

## Reconciliation of Statement of Revenues, Expenditures and Changes In Fund Balances Governmental Funds

### **For The Fiscal Year Ended June 30, 2003**

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Net Change in Fund Balances - Total Governmental Funds \$ (472,723)

*Amounts Reported for Governmental Activities in the Statement of Activities are different because:*

Governmental Funds report Capital Outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlay	516,503	
Depreciation	<u>(965,918)</u>	
		(449,415)

In the Statement of Activities, only the loss on the disposal of Land is reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in Net Assets differs from the change in Fund Balance by the cost of the Land.

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.

Property and Other Taxes	(44,748)	
Intergovernmental	<u>27,619</u>	
		(17,129)

Repayment of Bond Principal is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Assets. 1,100,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

Compensated Absences	56,369	
Accrued Pension	28,871	
Accrued Interest on Bonds	<u>10,455</u>	
		95,695

Internal Service Funds are used by management to charge to costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service Fund is reported with Governmental Activities. 68,130

*Change in Net Assets of Governmental Activities* \$ 324,558

The Notes to the Financial Statements are an Integral Part of this Statement



## West Geauga Local School District

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

For The Fiscal Year Ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
From Other Local Sources:				
Taxes	\$ 11,429,260	\$ 12,072,857	\$ 12,178,052	\$ 105,195
Earnings on Investments	56,657	52,731	54,999	2,268
Classroom Materials and Fees	16,773	15,611	16,282	671
Miscellaneous	146,305	136,167	142,023	5,856
Transportation Fees	8,532	7,941	8,282	341
Intergovernmental	<u>6,123,792</u>	<u>5,729,279</u>	<u>5,958,464</u>	<u>229,185</u>
Total Revenues	<u>17,781,319</u>	<u>18,014,586</u>	<u>18,358,102</u>	<u>343,516</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	7,910,258	8,073,386	8,072,931	455
Special Education	1,524,709	1,552,124	1,552,124	-
Vocational Education	250,684	255,191	255,191	-
Other	323,113	328,968	328,923	45
Support Services:				
Pupils	1,384,145	1,409,032	1,409,032	-
Instructional Staff	685,944	698,277	698,277	-
Board of Education	37,367	38,040	38,040	-
Administration	1,783,071	1,815,131	1,815,131	-
Fiscal Services	457,640	466,222	466,157	65
Business	168,290	171,316	171,316	-
Operation and Maintenance - Plant	1,933,320	1,968,082	1,968,082	-
Pupil Transportation	1,417,528	1,443,016	1,443,016	-
Central Services	59,782	60,857	60,857	-
Community Services	126,232	128,502	128,502	-
Extracurricular Activities	<u>431,276</u>	<u>439,031</u>	<u>439,031</u>	<u>-</u>
Total Expenditures	<u>18,493,359</u>	<u>18,847,175</u>	<u>18,846,610</u>	<u>565</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(712,040)</u>	<u>(832,589)</u>	<u>(488,508)</u>	<u>344,081</u>

The Notes to the Financial Statements are an Integral Part of this Statement

## West Geauga Local School District

### Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund (continued)

For The Fiscal Year Ended June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Other Financing Sources (Uses)</u>				
Transfers - In	132,642	123,451	128,760	5,309
Advances - In	115,158	107,178	111,787	4,609
Refund of Prior Year Expenditures	55,745	51,882	54,113	2,231
Transfers - Out	(8,555)	(8,709)	(8,709)	-
Advances - Out	(167,033)	(170,036)	(170,036)	-
Total Other Financing Sources	<u>127,957</u>	<u>103,766</u>	<u>115,915</u>	<u>12,149</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(584,083)	(728,823)	(372,593)	356,230
Fund Balance at Beginning of Year	<u>242,113</u>	<u>242,113</u>	<u>242,113</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>152,776</u>	<u>152,776</u>	<u>152,776</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>(189,194)</u>	\$ <u>(333,934)</u>	\$ <u>22,296</u>	\$ <u>356,230</u>

The Notes to the Financial Statements are an Integral Part of this Statement

# West Geauga Local School District

## Statement of Fund Net Assets – Proprietary Fund

June 30, 2003

	Business-Type Activities			Total	Governmental - Activities Internal Service Fund
	Food Service	Uniform Supplies	Adult Education		
<u>Assets</u>					
Equity in Pooled Cash and Cash					
Equivalents	\$ 1,952	\$ 30,651	\$ 2	\$ 32,605	\$ 31
Accounts Receivable	-	1,991	180	2,171	762
Intergovernmental Receivable	4,911	-	-	4,911	-
Inventory Held for Resale	11,189	-	-	11,189	-
Prepaid Items	-	-	-	-	12,463
Furniture and Equipment	990,743	-	-	990,743	-
Accumulated Depreciation	(361,457)	-	-	(361,457)	-
Total Assets	<u>647,338</u>	<u>32,642</u>	<u>182</u>	<u>680,162</u>	<u>13,256</u>
<u>Liabilities</u>					
Accounts Payable	-	357	-	357	125
Accrued Compensated Absences	12,355	-	-	12,355	-
Intergovernmental Payable	463	-	8	471	-
Interfund Payable	25,000	9,000	2,160	36,160	363,035
Accrued Pension	10,343	-	-	10,343	-
Total Liabilities	<u>48,161</u>	<u>9,357</u>	<u>2,168</u>	<u>59,686</u>	<u>363,160</u>
<u>Net Assets</u>					
Unreserved (Deficit)	<u>599,177</u>	<u>23,285</u>	<u>(1,986)</u>	<u>620,476</u>	<u>(349,904)</u>
Total Net Assets	\$ <u>599,177</u>	\$ <u>23,285</u>	\$ <u>(1,986)</u>	\$ <u>620,476</u>	\$ <u>(349,904)</u>

The Notes to the Financial Statements are an Integral Part of this Statement

# West Geauga Local School District

## Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund

For The Fiscal Year Ended June 30, 2003

	Business-Type Activities				Governmental - Activities Internal Service Fund
	Food Service	Uniform Supplies	Adult Education	Total	
<u>Operating Revenues</u>					
Food Service	\$ 394,847	\$ -	\$ -	\$ 394,847	\$ -
Extracurricular Activities	-	-	180	180	-
Classroom Materials and Fees	-	166,435	-	166,435	-
Miscellaneous	-	-	3,660	3,660	640,027
Total Operating Revenues	<u>394,847</u>	<u>166,435</u>	<u>3,840</u>	<u>565,122</u>	<u>640,027</u>
<u>Operating Expenses</u>					
Salaries and Wages	198,696	150	4,000	202,846	-
Fringe Benefits	65,419	-	627	66,046	(12,463)
Contractual Services	152,012	477	1,035	153,524	584,235
Supplies and Materials	6,492	160,181	-	166,673	125
Other Operating Expenses	1,141	16	70	1,227	-
Depreciation Expense	34,220	-	-	34,220	-
Total Operating Expenses	<u>457,980</u>	<u>160,824</u>	<u>5,732</u>	<u>624,536</u>	<u>571,897</u>
Operating Income (Loss)	<u>(63,133)</u>	<u>5,611</u>	<u>(1,892)</u>	<u>(59,414)</u>	<u>68,130</u>
<u>Non-Operating Revenues (Expenses)</u>					
Earnings on Investments	66	-	-	66	-
Restricted Grants-In-Aid (State)	4,127	-	-	4,127	-
Unrestricted Grants-In-Aid (Federal)	25,090	-	-	25,090	-
Federal Donated Commodities	13,523	-	-	13,523	-
Total Non-Operating Revenues	<u>42,806</u>	<u>-</u>	<u>-</u>	<u>42,806</u>	<u>-</u>
Change in Net Assets	(20,327)	5,611	(1,892)	(16,608)	68,130
Total Net Assets (Deficit) at Beginning of Year	<u>619,504</u>	<u>17,674</u>	<u>(94)</u>	<u>637,084</u>	<u>(418,034)</u>
Total Net Assets (Deficit) at End of Year	\$ <u>599,177</u>	\$ <u>23,285</u>	\$ <u>(1,986)</u>	\$ <u>620,476</u>	\$ <u>(349,904)</u>

The Notes to the Financial Statements are an Integral Part of this Statement

# West Geauga Local School District

## Statement Cash Flows – Proprietary Fund

For The Fiscal Year Ended June 30, 2003

	Business-Type Activities			Total	Governmental - Activities Internal Service Fund
	Food Service	Uniform Supplies	Adult Education		
Increase (Decrease) in Cash and Cash Equivalents:					
Cash Flows from Operating Activities:					
Cash Received From					
Customers	\$ 394,847	\$ 166,026	\$ -	\$ 560,873	\$ -
Cash Received From Other Funds	-	-	3,660	3,660	639,430
Cash Received From Tuition Other Cash Receipts	-	-	-	-	-
Cash Payments to Employees for Services	(266,555)	(150)	(4,630)	(271,335)	-
Cash Payments for Employee Benefits	-	-	-	-	-
Cash Payments for Goods and Services	(152,012)	(160,696)	(1,118)	(313,826)	(738,824)
Cash Payments for Claims	-	-	-	-	-
Other Cash Payments	(1,141)	(16)	(70)	(1,227)	-
Net Cash Provided By (Used In) Operating Activities	<u>(24,861)</u>	<u>5,164</u>	<u>(2,158)</u>	<u>(21,855)</u>	<u>(99,394)</u>
Cash Flows from Noncapital Financing Activities:					
Operating Grants Received	25,057	-	-	25,057	-
Advances – In	-	25,000	2,160	27,160	11,581
Advances – Out	-	(31,000)	-	(31,000)	(659,952)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>25,057</u>	<u>(6,000)</u>	<u>2,160</u>	<u>21,217</u>	<u>(648,371)</u>
Cash Flows from Investing Activities					
Interest on Investments	66	-	-	66	-
Net Increase (Decrease) in Cash and Cash Equivalents	262	(836)	2	(572)	(34,359)
Cash and Cash Equivalents at Beginning of Year (Restatement – See Note 3)	<u>1,690</u>	<u>31,487</u>	<u>-</u>	<u>33,177</u>	<u>34,390</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>1,952</u></u>	\$ <u><u>30,651</u></u>	\$ <u><u>2</u></u>	\$ <u><u>32,605</u></u>	\$ <u><u>31</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

	<u>Business-Type Activities</u>		<u>Enterprise Funds</u>		<u>Governmental - Activities Internal Service Fund</u>
	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Total</u>	
Reconciliation of Operating Income (Loss) to Net Cash From					
Operating Income (Loss)	\$ (63,133)	\$ 5,611	\$ (1,892)	\$ (59,414)	\$ 68,130
Adjustments:					
Depreciation	34,220	-	-	34,220	-
Donated Commodities Received During Year	13,523	-	-	13,523	-
(Increase) Decrease in Assets:					
Accounts Receivable	-	(409)	(180)	(589)	(597)
Prepays					
Inventory Held for Resale	-	-	-	-	(12,463)
Materials and Supplies Inventory	(7,031)	-	-	(7,031)	-
Increase (Decrease) in Liabilities:					
Accounts Payable	-	(38)	(83)	(121)	125
Accrued Pension	1,718	-	-	1,718	-
Compensated Absences Payable	(3,868)	-	-	(3,868)	-
Intergovernmental Payable	(290)	-	(3)	(293)	-
Claims Payable	-	-	-	-	(154,589)
Net Cash Provided By (Used In) Operating Activities	\$ <u>(24,861)</u>	\$ <u>5,164</u>	\$ <u>(2,158)</u>	\$ <u>(21,855)</u>	\$ <u>99,394</u>

Schedule of Noncash Financing Activities

During the year, the food services enterprise fund received donated commodities of \$13,523.

The Notes to the Financial Statements are an Integral Part of this Statement

# West Geauga Local School District

## Statement of Fiduciary Net Assets – Fiduciary Funds

June 30, 2003

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	Student Managed Activity - <u>Agency Fund</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 35,850
Accounts Receivable	<u>411</u>
Total Assets	\$ <u><u>36,261</u></u>
 <u>Liabilities</u>	
Accounts Payable	\$ 446
Due to Students	<u>35,815</u>
Total Liabilities	\$ <u><u>36,261</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

## West Geauga Local School District

### Notes to Basic Financial Statements

June 30, 2003

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#### **Note 1: Description of The School District**

The West Geauga Local School District (the “School District”) operates under a locally elected five-member Board form of government and provides educational services as authorized by State or federal agencies. The Board controls the School District’s four instructional facilities, staffed by 126 classified personnel, certified teaching personnel and 178 administrative employees to provide services to students and other community members.

The School District is located in Geauga County, including all of Chesterland and Russell Townships and portions of Munson, South Russell, and Hunting Valley, Ohio. The enrollment for the School District during the 2003 fiscal year was 2,612. The School District operates two elementary schools (K-5), one middle school (6-8), and one high school (9-12).

#### **Note 2: Summary of Significant Accounting Policies**

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business – type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District’s accounting policies are described below.

##### **A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity”. When applying GASB Statement No. 14, management has considered all potential component units. 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; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or 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 debt, the issuance of debt, or the levying of taxes. Based upon the application of these criteria, the District has no component units. The financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District.



## West Geauga Local School District

### **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### **A. Reporting Entity (continued)**

###### *Jointly Governed Organizations*

**Lake Geauga Computer Association** – The Lake Geauga Computer Association (the “LGCA”) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA’s continued existence is not dependent on West Geauga Local School District’s continued participation. In fiscal year 2003, the School District paid \$117,172 to the Association. To obtain financial information, write to Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

**East Shore Regional Transportation System** – The East Shore Regional Transportation System (“ESRTA”) is a jointly governed organization that was formed for the purpose of providing a transportation system for the handicapped children in the 16 member school districts. The transportation committee (governing board) consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. ESRTA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. To obtain financial information, write to Kirtland Board of Education, 9252 Chillicothe Road, Kirtland, Ohio 44094.

**East Shore Center** – The East Shore Center is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation of the government board. East Shore Center is not accumulating significant financial resources or experiencing fiscal distress, which would cause additional financial benefit or burden on the School District. Financial information can be obtained by writing the fiscal agent, East Shore SERRC, 7900 Euclid-Chardon Road, Kirtland, OH 44094

**Ohio Schools Council** – The Ohio Schools Council Association (Council) is a jointly governed organization among school districts. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council’s Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2003, the School District paid \$2,011 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

## West Geauga Local School District

### **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### **A. Reporting Entity (continued)**

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

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

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2001. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

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

**West Geauga Joint Recreation Council** – The West Geauga Joint Recreation Council (the "Council") is a jointly governed organization. The School District appoints one member of the six-member board. The purpose of the Council is to further athletic and recreational opportunities. The School District has not contributed to the Council in fiscal year 2003. The School District's degree of control is limited to its representation on the board. The Council's continued existence is not dependent on the School District's continued participation. To obtain financial information, write to West Geauga Joint Recreational Board, P.O. Box 384, Chesterland, Ohio 44026.

##### ***Insurance Purchasing Pool***

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal years. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the following categories governmental, proprietary and fiduciary.

**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 and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**General Fund** The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Debt Service Fund** The debt service fund is used to account for the accumulation of resources, and the payment of, school improvement general obligation bond, or principal, interest, and related costs.

The other governmental funds of the School District account for financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds and grants and other resources whose use is restricted to a particular purpose.

**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 following are the District's proprietary funds:

**Enterprise Funds** The enterprise funds are used to account for any activity for which a fee is charged to external users for goods and services. The School District's major enterprise funds are:

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

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

**Adult and Community Education Fund** This fund accounts for educational opportunities offered on a tuition basis to preschoolers, youths and adults living within the community.

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

June 30, 2003

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### Note 2: Summary of Significant Accounting Policies (continued)

#### B. Fund Accounting (continued)

**Internal Service Fund** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The only internal service fund of the School District accounts for a self-insurance program which provides dental and prescription drug benefits to employees. The District is phasing out this fund during fiscal year 2004 as a result of no longer being self-insured.

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

#### C. Basis of Presentation and Measurement Focus

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

**Government-wide Financial Statements** The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### C. Basis of Presentation and Measurement Focus (continued)

**Fund Financial Statements.** Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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

#### D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

#### *Revenues - Exchange and Nonexchange 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. “Measurable” means the amount of the transaction can be determined, and “available” means that the resources collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

# West Geauga Local School District

## **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### **D. Basis of Accounting (continued)**

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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange 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, grants, investment earnings, tuition, student fees and rentals.

#### ***Deferred Revenue***

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

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

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

***Expenditures/Expenses.*** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as donated commodities 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. Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2003 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.

## West Geauga Local School District

### **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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#### **Note 2: Summary of Significant Accounting Policies (continued)**

##### **E. Budgets (continued)**

2. By no later than January 20, the Board-adopted budget is filed with the Geauga County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2003.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures for general fund and the Disadvantaged Pupil Impact Aid special revenue fund and at the fund level for all other funds, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than agency funds, are legally required to be budgeted and appropriated. Short-term inter-fund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.
6. Any revisions that alter the legal level of budgetary control for a fund must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with the general obligation bond indenture and other statutory provisions.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2003.
9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control for the fund.

# West Geauga Local School District

## **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### **F. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled. Interest in the pool is presented as “equity in pooled cash and cash equivalents” on the financial statements.

During fiscal year 2003, investments were limited to STAROhio (the State Treasury Asset Reserve of Ohio).

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$60,913, which includes \$48,456 assigned from other School District funds.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as “cash and cash equivalents with fiscal agents” and represents deposits or short-term investments in certificates of deposit.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

#### **G. Restricted Assets**

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by State statute to be set aside for textbooks and instructional materials. See Note 20 for additional information regarding set-asides.

#### **H. Inventory**

On the government-wide financial statements inventories are presented at lower of cost or market on a first-in, first-out basis when used.

On fund financial statements, inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventories consist of donated food, purchased food, school supplies held for resale and expensed when used.



# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 2: Summary of Significant Accounting Policies (continued)

#### I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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 assets but are not reported on the fund financial statements. Capital assets utilized by the food service enterprise fund are reported both in the business-type activities column of the government-wide statement of net assets and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$500. 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 capitalized. Interest incurred during the construction of capital assets utilized by the enterprise fund is also capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	15 - 30 years	N/A
Buildings and Buildings Improvements	15 - 30 years	N/A
Furniture and Equipment	5 - 20 years	
Vehicles	5 - 15 years	N/A

#### J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

#### K. Compensated Absences

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

# West Geauga Local School District

## **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### **K. Compensated Absences (continued)**

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits in the School District's termination policy. The School District reports a liability for accumulated unused sick leave for classified, certified and administrative employees who will be eligible to retire within five years.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have an accumulated leave are paid. The non-current portion of the liability is not reported. In the food service enterprise fund, the entire amount of compensated absences is recorded as a fund liability.

#### **L. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, contractually required pension contribution and special termination benefits 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 are recognized as a liability on the governmental fund financial statements when due.

#### **M. Fund Balance Reserves**

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

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

# West Geauga Local School District

## **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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### **Note 2: Summary of Significant Accounting Policies (continued)**

#### **N. Net Assets**

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

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

#### **O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service, classroom materials and fees for uniform school supplies, extracurricular activities and miscellaneous for adult education and miscellaneous for self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenditures not meeting this definition are reported as non-operating.

#### **P. Interfund Transactions**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

#### **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 School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2003.

#### **R. Estimates**

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

# West Geauga Local School District

## **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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### **Note 3: Accountability and Compliance**

#### **A. Changes in Accounting Principles and Restatement of Fund Balance**

For fiscal year 2003, the District has implemented GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, GASB Statement No. 41, “Budgetary Comparison Schedule – Perspective Differences”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements”. At June 30, 2002, there was no effect on fund balance as a result of implementing GASB Statements 37, 38 and 41.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38, modifies, establishes and rescinds certain financial statement note disclosures.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparison for the general and each major special revenue fund.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

GASB No. 34 creates new basic financial statements for reporting on the District’s financial activities. The basic financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. The government-wide financial statements show the District’s programs for governmental activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2002, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

The government-wide financial statements show the District’s programs for governmental activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2002, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 3: Accountability and Compliance (continued)

#### A. Changes in Accounting Principles and Restatement of Fund Balance (continued)

**Governmental Activities - Fund Reclassification and Restatement of Fund Balance** – The implementation of these changes had the following effects on fund balance of the major and non-major funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	Total Governmental Activities
Fund Balance, June 30, 2002	\$ 2,081,963
GASB 34 Adjustments:	
Fund Reclassification	(418,034)
Capital Assets	16,474,708
Accrued Interest Payable	(154,498)
Long-Term Liabilities	(18,187,502)
Long-Term (Deferred) Assets	233,735
Governmental Activities Net Assets, June 30, 2002	\$ <u>30,372</u>

**Business-type Activities - Fund Reclassification and Restatement of Fund Equity** - Capital assets in the Food Service enterprise fund have been restated to reflect a change in capital asset values due to a reappraisal of the District's capital assets.

	Business-Type Activities
Fund Equity June 30, 2002	\$ 99,092
GASB 34 Adjustments:	
Capital Assets	537,992
Adjusted Net Assets at June 30, 2002	<u>637,084</u>

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 3: Accountability and Compliance (continued)

#### B. Accountability

**Fund Deficits** - The following funds had deficit fund balances/net assets at June 30, 2003:

General Fund	\$ 321,967
Special Revenue Fund:	
Title I	70
Enterprise Fund:	
Adult Education	1,986

The deficit fund balance in the General Fund and Title I special revenue fund were a result of the application of GAAP, namely the accruing salaries, benefits and accounts payable at June 30, 2003. These deficits will be eliminated with future revenues.

The deficit fund balance in the Adult Education enterprise fund was a result of the application of GAAP namely the recording of an interfund payable to another fund for monies received during the fiscal year. This deficit will be eliminated with future revenues from charges for services.

#### C. Compliance

The General Fund had final appropriations plus encumbrances in excess of estimated resources plus carryover balances contrary to Section 5705.39, Ohio Revised Code, in the amount of \$333,934.

### Note 4: Budgetary Basis of Accounting

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

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual, All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 4: Budgetary Basis of Accounting (continued)

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

The following tables summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

Net Change in Fund Balance Major Governmental Fund	
	<u>General</u>
GAAP Basis	\$ (475,912)
<u>Increase (Decrease) Due to</u>	
Revenue accruals	(290,267)
Advance in	111,787
Expenditure accruals	599,465
Advance out	(170,036)
Encumbrances	<u>(147,630)</u>
Budget Basis	\$ <u>(372,593)</u>

### Note 5: Deposits and Investments

State statutes classify monies held by the School 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 School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current two-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.

# West Geauga Local School District

## **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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### **Note 5: Deposits and Investments (continued)**

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in (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;
6. The State Treasurer's investment pool (STAROhio);
7. Certain Banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.



# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 5: Deposits and Investments (continued)

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

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

**Deposits** At fiscal year-end, the carrying amount of the School District's deposits was \$85,631 and the bank balance was \$253,140. \$151,291 of the bank balance was covered by federal depository insurance. \$101,849 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	Fair Value
Investment in STAROhio (Non-Categorized)	\$ <u>1,828,385</u>

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$ 1,914,016	\$ -
Investments which are part of the cash management pool:		
STAROhio	(1,828,385)	1,828,385
GASB Statement No. 3	\$ <u>85,631</u>	\$ <u>1,828,385</u>

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 6: Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2003 for real and public utility property taxes represents collections of calendar 2002 taxes. Property tax payments received during calendar 2003 for tangible personal property (other than public utility property) are for calendar 2003 taxes.

2003 real property taxes are levied after April 1, 2003, on the assessed value listed as of January 1, 2003, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after April 1, 2003, and are collected in 2003 with real property taxes.

2003 tangible personal property taxes are levied after April 1, 2002, on the value listed as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are twenty-five percent of true value.

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

	2002 Second-Half Collections		2003 Second-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 507,603,620	94.87%	\$ 558,995,410	95.60%
Public Utility Personal	18,999,890	3.55	17,196,620	2.94%
Tangible Personal Property	<u>8,432,440</u>	<u>1.58</u>	<u>8,511,190</u>	<u>1.46%</u>
	<u>\$ 535,035,950</u>	<u>100.00%</u>	<u>\$ 584,703,220</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed valuation	\$ 50.77		\$ 50.00	

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including West Geauga Local School District. The County Auditor periodically advances to the School District its portion of taxes. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 6: Property Taxes (continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, they are not intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

The amount available to the School District as an advance at June 30, 2003, was \$1,346,955. \$1,117,973 was available to the general fund, \$188,574 was available to the bond retirement fund and \$40,408 was available to the permanent improvement capital projects fund.

### Note 7: Receivables

Receivables at June 30, 2003, consisted of taxes and accounts (rent, student fees and intergovernmental receivables). All receivables are considered collectible in full due to the ability to foreclose for the non-payment of taxes the stable condition of the state programs and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities		
Taxes – Current and Delinquent		\$ 15,652,387
Accounts		18,947
Intergovernmental		147,014
Interfund		36,160
Business-Type Activities		
Accounts		2,171
Intergovernmental		4,911
Total Receivables		<u>\$ 15,861,590</u>

### Note 8: Capital Assets

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

	Balance June 30, 2002	Adjust- ment	Balance June 30, 2002, Restated	Additions	Disposals	Balance June 30, 2003
Governmental Activities						
Capital Assets, not being depreciated:						
Land	\$ 366,380	\$ -	\$ 366,380	\$ -	\$ -	\$ 366,380
Capital Assets, being depreciated:						
Land Improvements	1,673,415	339,187	2,012,602	115,153	-	2,127,755
Buildings and Buildings Improvements	13,940,566	2,503,538	16,444,104	10,425	-	16,454,529
Furniture and Equipment	6,017,457	(1,619,458)	4,397,999	282,031	-	4,680,030
Vehicles	<u>2,328,025</u>	<u>(648,687)</u>	<u>1,679,338</u>	<u>108,894</u>	<u>-</u>	<u>1,788,232</u>
Total Capital Assets, being depreciated	<u>\$ 23,959,463</u>	<u>\$ 574,580</u>	<u>\$ 24,534,043</u>	<u>\$ 516,503</u>	<u>\$ -</u>	<u>\$ 25,050,546</u>

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

### Note 8: Capital Assets (continued)

	Balance June 30, 2002	Adjust- ment	Balance June 30, 2002 Restated	Additions	Disposals	Balance June 30, 2003
Less Accumulated Depreciation						
Land Improvements	-	(1,099,127)	(1,099,127)	(85,097)	-	(1,184,224)
Buildings	-	(2,835,328)	(2,835,328)	(74,037)	-	(2,909,365)
Building Improvements	-	(1,656,377)	(1,656,377)	(272,544)	-	(1,928,921)
Furniture and Fixtures and Equipment	-	(2,288,052)	(2,288,052)	(398,650)	-	(2,686,702)
Vehicles	-	(546,831)	(546,831)	(135,590)	-	(682,421)
Total Accumulated Depreciation	-	(8,425,715)	(8,425,715)	(965,918)	-	(9,391,633)
Total Capital Assets, being depreciated, net	23,959,463	(7,851,135)	16,108,328	(449,415)	-	15,658,913
Governmental Activities Capital Assets, Net	\$ 24,325,843	\$ (7,815,135)	\$ 16,474,708	\$ (449,415)	\$ -	\$ 16,025,293
Business-Type Activities Equipment	\$ 308,638	\$ 682,105	\$ 990,743	\$ -	\$ -	\$ 990,743
Less Accumulated Depreciation Equipment	(183,124)	(144,113)	(327,237)	(34,220)	-	(361,457)
Business-Type Activities Capital Assets, Net	\$ 125,514	\$ 537,992	\$ 663,506	\$ (34,220)	\$ -	\$ 629,286

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$ 632,265
Special	7,288
Vocational	6,148
Support Services	
Pupil	5,653
Instructional Staff	47,482
Board of Education	23,465
Administration	26,272
Fiscal	984
Operation and Maintenance of Plant	15,148
Business	815
Pupil Transportation	145,300
Central	14,219
Community Services	23,341
Extracurricular Activities	17,538
Total Depreciation Expense	\$ 965,918

West Geauga Local School District

Notes to Basic Financial Statements (continued)

June 30, 2003

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**Note 9: Interfund Assets/Liabilities**

A. Interfund receivable/payable consisted of the following at June 30, 2003 as reported on the fund statement:

<u>Receivable Fund</u>	<u>Amount</u>
General Fund	\$ <u>405,704</u>
<u>Payable Funds</u>	
Other Governmental Funds	6,509
Business-Type Activities Funds	36,160
Governmental Activities – Internal Service Fund	<u>363,035</u>
	\$ <u>405,704</u>

B. Operating Transactions

Following is a summary of operating transfers for all funds for June 30, 2003:

	<u>General Fund</u>	<u>Transfer In: Other Governmental Funds</u>	<u>Total</u>
Transfer Out:			
General Fund	\$	\$ 8,709	\$ 8,709
Nonmajor Governmental Funds	<u>128,760</u>	<u>5,076</u>	<u>133,836</u>
Total All Funds	\$ <u>128,760</u>	\$ <u>13,785</u>	\$ <u>142,545</u>

**Note 10: Risk Management**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Professional liability insurance is carried with Hylant Administration and Hartford Insurance through Harcum-Hyre Insurance Agency and has limits of \$1,000,000 for each occurrence and \$3,000,000 general aggregate, including employee benefit liability limits, qualified school groups, and employers' liability. The umbrella policy for the education liability has a \$1,000,000 limit for each occurrence and \$1,000,000 general aggregate limit; for the employers liability the limit is \$1,000,000; and for the fleet insurance there is a \$1,000,000 limit.

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 10: Risk Management (continued)

#### A. Property and Liability (continued)

Property and fleet insurance is carried with Indiana Insurance Company through Lake Shore Insurance Agency. Property insurance includes boiler and machinery coverage as well as commercial inland marine coverage with a blanket limit of \$43,146,788 with a \$2,500 deductible. Fleet insurance has a limit of \$1,000,000 with a \$100 deductible for comprehensive and \$250 for collision coverage.

Settled claims have not exceeded this commercial coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

#### B. Medical

The School District has elected to contract with United Healthcare, Inc. to provide medical benefits for employees through a fully insured program. The maintenance of these benefits is accounted for in the self-insurance fund. An excess coverage insurance (stop loss) policy covers claims in excess of \$80,000 per employee. Prior to the current insurance carrier, the District was self-insured. Although the District is in a phase out period, it is anticipated that no further liability will be incurred.

The self-insurance fund paid for the costs of providing claims servicing and claims payment.

The following table presents claims information for 2002 and 2003.

<u>Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2002	\$ 160,161	\$ 1,577,835	\$ 1,583,407	\$ 154,589
2003	154,589	429,646	584,235	-

#### C. Workers' Compensation

For fiscal year 2003, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This equity pooling arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

## West Geauga Local School District

### **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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#### **Note 11: Defined Benefit Pension Plans**

##### **A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a costsharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$410,428, \$420,747 and \$261,508, respectively; 80 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

##### **B. State Teachers Retirement System**

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

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

## West Geauga Local School District

### **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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#### **Note 11: Defined Benefit Pension Plans (continued)**

##### **B. State Teachers Retirement System (continued)**

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

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

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,356,218, \$1,313,625, and \$1,221,060, respectively; 83 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$7,984 made by the School District and \$7,071 made by the plan members.

##### **C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2003, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid. The remaining Board members contribute to SERS.

#### **Note 12: Post-Employment Benefits**

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



## West Geauga Local School District

### **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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#### **Note 12: Post-Employment Benefits (continued)**

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the fiscal year ended June 30, 2002, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$88,268 for fiscal year 2003.

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

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay was established at \$14,500. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$181,257.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 13: Employee Benefits

#### A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and most administrators do not earn vacation time. All certified and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made to classified employees for one-fourth of their accumulated sick leave with a maximum accumulation of 250 days. Classified employees are paid within 120 days of the retirement date. Upon retirement, payment is made to certified employees for one-fourth of their accumulated sick leave with a maximum accumulation of 247 days. Certified employees are paid over a three year period with the first payment deferred until August of the year following their effective retirement date. Upon retirement, payment is made to administrators for a scheduled percentage based upon their years of West Geauga service.

#### B. Early Retirement Incentive

The West Geauga Local School District Board of Education approved an Early Retirement Incentive program in fiscal year 1998 for certified employees. The Retirement Incentive is based upon first-time retirement eligibility under STRS and notification of retirement in writing by March 15. The retirement incentive is paid in two installments in January of each year following the effective retirement date. Classified employees also receive a retirement incentive that is paid in January of the year following the date of retirement as long as the employees meet the criteria for retirement and notifies the Board on or before June 30. The payments are made from the general fund.

### Note 14: Long-Term Obligations

The original issue date, interest rates, and original issuance amount for each of the City's bonds follows:

<u>Debt Issue</u>	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
<b>General Obligation Bonds</b>			
Public Library Bonds Road	1986	7.625%	\$ 630,000
School Improvement Bonds	1994	5.15% - 5.95%	16,350,000
School Improvement Refunding Bonds	2001	4.90% - 8.25%	4,360,000
Energy Conservation Bonds	1994	5.521%	320,000

The changes in long-term obligations of the School District during fiscal year 2003, were as follows:

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

### Note 14: Long-Term Obligations (continued)

	Balance 06/30/02	Additions	Deletions	Balance 06/30/03	Amounts Due Within One Year
Governmental Activities:					
<u>General Obligation Bonds</u>					
Public Library Bonds	\$ 560,000	\$ -	\$ 70,000	\$ 490,000	\$ 70,000
School Improvement Bonds	11,600,000	-	950,000	10,650,000	1,065,000
School Improvement Bonds Refunding Bonds	<u>4,360,000</u>	<u>-</u>	<u>-</u>	<u>4,360,000</u>	<u>-</u>
Total General Obligation Bonds	<u>16,520,000</u>	<u>-</u>	<u>1,020,000</u>	<u>15,500,000</u>	<u>1,135,000</u>
<u>Other Long-Term Obligations</u>					
Energy Conservation Loan Payable	240,000	-	80,000	160,000	80,000
Compensated Absences	1,120,756	-	56,369	1,064,387	85,151
Intergovernmental Payable	156,745	21,129	-	177,874	177,874
Special Termination Benefits	<u>150,000</u>	<u>100,000</u>	<u>150,000</u>	<u>100,000</u>	<u>-</u>
Total Other Long-Term Obligation	<u>1,667,501</u>	<u>121,129</u>	<u>286,369</u>	<u>1,502,261</u>	<u>343,025</u>
Total Governmental Activities Long-Term Liabilities	\$ <u>18,187,501</u>	\$ <u>121,129</u>	\$ <u>1,306,369</u>	\$ <u>17,002,261</u>	\$ <u>1,478,025</u>

The bonds and loan will be paid from the debt service fund. Compensated absences and special termination benefits will be paid from the fund from which the person is paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid.

In 2001, the School District defeased a portion of a General Obligation Bond issue by placing the proceeds of the new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the 1994 school improvement bonds. For financial reporting purposes, these bonds are considered to be defeased and the liability for the refunded portion of these bonds has been removed from the general long-term obligations account group. As of June 30, 2003, the amount of defeased debt outstanding amounted to \$2,995,000.

The School District's overall legal debt margin was \$38,542,388 with an unvoted debt margin of \$5,102,328 at June 30, 2003. Principal and interest requirements to retire the bonds outstanding and the early retirement incentive payable at June 30, 2003, are as follows:

	Principal		Interest		Totals
	General Obligation Bonds	Energy Conservation Loan	General Obligation Bonds	Energy Conservation Loan	
2004	\$ 1,135,000	\$ 80,000	\$ 877,444	\$ 7,040	\$ 2,099,484
2005	1,230,000	80,000	797,364	2,360	2,109,724
2006	1,300,000	-	726,284	-	2,026,284
2007	1,475,000	-	647,113	-	2,122,113
2008	1,560,000	-	559,256	-	2,119,256
2009-2013	<u>8,800,000</u>	<u>-</u>	<u>1,349,713</u>	<u>-</u>	<u>10,149,713</u>
Total	\$ <u>15,500,000</u>	\$ <u>160,000</u>	\$ <u>4,957,174</u>	\$ <u>9,400</u>	\$ <u>20,626,574</u>

# West Geauga Local School District

## Notes to Basic Financial Statements (continued)

**June 30, 2003**

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### Note 15: Contingencies

#### A. Grants

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

#### B. Litigation

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

### Note 16: Set Aside Calculations

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

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

	<u>Capital Improvements Reserve</u>	<u>Textbook/ Instructional Materials Reserve</u>
Set-aside Reserve Balance as of June 30, 2002	\$ -	\$ (101,922)
Current Year Set-aside Requirement	364,091	364,091
Qualifying Disbursements	<u>(468,140)</u>	<u>(342,243)</u>
Totals	\$ <u>(104,049)</u>	\$ <u>(80,074)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	\$ <u>-</u>	\$ <u>(80,074)</u>
Set-aside Reserve Balance as of June 30, 2003	\$ <u>-</u>	\$ <u>-</u>

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years. No reserve balance for the three set-asides is necessary at the end of the fiscal year.

## West Geauga Local School District

### **Notes to Basic Financial Statements (continued)**

**June 30, 2003**

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#### **Note 17: State School Funding Decision**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

#### **Note 18: Subsequent Events**

On December 1, 2003, the District issued \$2,250,000 in tax anticipation notes, with an interest rate of 1.82 percent and a maturity date of December 1, 2004. It is expected that the District will repay a portion of these notes with property tax receipts in February 2004, with the balance to be repaid in August 2004.

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# **West Geauga Local School District**

## **COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES**

## West Geauga Local School District

### Combining Statements - Nonmajor Funds

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#### **Nonmajor Special Revenue Funds**

***Special Trusts Fund*** This fund accounts for monies from local donations for the purpose of scholarships for students.

***Rotary Fund*** This fund accounts for monies from local sources which provides for field trips for the students.

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

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

***Educational Foundation Fund*** This fund accounts for local monies received for specific grant requests made by staff members to the Educational Foundation.

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

***Auxiliary Services Fund*** This fund accounts for State monies used to provide services and materials for pupils attending non-public schools within the School District.

***Professional Development Fund*** This fund accounts for State monies used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

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

***Data Communication Fund*** This fund accounts for State monies appropriated for Ohio Educational Computer Network Connections.

***SchoolNet Professional Development Fund*** This fund accounts for State monies to assist staff in gaining knowledge of technology.

***Ohio Reads Fund*** This fund accounts for State monies to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

***Miscellaneous State Grants*** This fund accounts for other State Grants which are not required to be accounted for in a separate fund.

***Education for Economic Security*** This fund accounts for State monies used to improve the skill of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning.



## West Geauga Local School District

### Combining Statements - Nonmajor Funds (continued)

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#### *Nonmajor Special Revenue Funds (continued)*

***Title VI-B Fund*** This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

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

***Title VI Fund*** This fund accounts for Federal monies used to support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

***Drug Free Schools Fund*** This fund accounts for Federal monies used to support the implementation of programs for drug abuse education and prevention.

***Classroom Reduction Fund*** This accounts for Federal monies used to reduce class sizes in elementary schools.

***Miscellaneous Federal Grants*** This fund accounts for other Federal Grants, which are not required to be accounted for in a separate fund.

#### *Nonmajor Capital Projects Funds*

***Permanent Improvement Fund*** This fund accounts for property taxes levied to be used for various capital improvements within the School District.

***Building Fund*** This fund accounts for financial resources to be used for the purchase of major capital equipment and facilities renovation.

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

# West Geauga Local School District

## Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2003

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	Nonmajor Special Revenue	Nonmajor Capital Projects	Other Governmental Funds
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 234,787	\$ 210,294	\$ 445,081
Taxes Receivable	-	514,910	514,910
Accounts Receivable	2,084	-	2,084
Intergovernmental Receivable	51,014	96,000	147,014
Total Assets	\$ <u>287,885</u>	\$ <u>821,204</u>	\$ <u>1,109,089</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts Payable	\$ 53,005	\$ 13,461	\$ 66,466
Accrued Wages and Benefits	18,007	-	18,007
Intergovernmental Payable	3,878	-	3,878
Interfund Payable	6,509	-	6,509
Deferred Revenue	27,619	474,502	502,121
Total Liabilities	<u>109,018</u>	<u>487,963</u>	<u>596,981</u>
Fund Balances:			
Reserve for Encumbrances	33,011	51,466	84,477
Reserve for Property Taxes	-	40,408	40,408
Unreserved; Undesignated	145,856	241,367	387,223
Total Fund Balances	<u>178,867</u>	<u>333,241</u>	<u>512,108</u>
Total Liabilities and Fund Balances	\$ <u>287,885</u>	\$ <u>821,204</u>	\$ <u>1,109,089</u>

# West Geauga Local School District

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds

For The Fiscal Year Ended June 30, 2003

	Nonmajor Special Revenue	Nonmajor Capital Projects	Other Governmental Funds
<u>Revenues</u>			
Taxes	\$ -	\$ 504,592	\$ 504,592
Tuition	6,475	-	6,475
Earnings on Investments	4,009	-	4,009
Extracurricular Activities	322,452	-	322,452
Miscellaneous	63,234	-	63,234
Intergovernmental	840,309	104,356	944,665
Total Revenues	<u>1,236,479</u>	<u>608,948</u>	<u>1,845,427</u>
<u>Expenditures</u>			
Current:			
Instruction:			
Regular Education	207,268	94,518	301,786
Special Education	104,640	-	104,640
Support Services:			
Pupils	223,385	-	223,385
Instructional Staff	52,346	18,270	70,616
Administration	25,225	2,246	27,471
Fiscal Services	-	7,872	7,872
Operations and Maintenance – Plant	2,320	318,582	320,902
Pupil Transportation	-	121,172	121,172
Central Services	20,078	-	20,078
Community Services	443,579	-	443,579
Extracurricular Activities	234,628	-	234,628
Total Expenditures	<u>1,313,469</u>	<u>562,660</u>	<u>1,876,129</u>
Excess of Revenues Over (Under) Expenditures	(76,990)	46,288	(30,702)
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	152	-	152
Refund of Prior Years Receipts	(16,322)	-	(16,322)
Transfers – In	13,785	-	13,785
Transfers – Out	(12,621)	(121,215)	(133,836)
Total Other Financing Sources (Uses)	<u>(15,006)</u>	<u>(121,215)</u>	<u>(136,221)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(91,996)	(74,927)	(166,923)
Fund Balance at Beginning of Year	<u>270,863</u>	<u>408,168</u>	<u>679,031</u>
Fund Balance at End of Year	\$ <u>178,867</u>	\$ <u>333,241</u>	\$ <u>512,108</u>

# West Geauga Local School District

## Combining Balance Sheet – Nonmajor Special Revenue Funds

June 30, 2003

	<u>Special Trusts</u>	<u>Rotary</u>	<u>Public School Support</u>	<u>Local Grants</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 46,893	\$ 16,522	\$ 12,753	\$ 4,232
Accounts Receivable	77	88	175	-
Intergovernmental Receivable	-	-	-	-
Total Assets	<u>\$ 46,970</u>	<u>\$ 16,610</u>	<u>\$ 12,928</u>	<u>\$ 4,232</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ -	\$ 7,172	\$ 702	\$ -
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	-	79	-	4
Interfund Payable	-	870	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>8,121</u>	<u>702</u>	<u>4</u>
Fund Balances:				
Reserve for Encumbrances	-	-	227	550
Unreserved; Undesignated (Deficit)	<u>46,970</u>	<u>8,489</u>	<u>11,999</u>	<u>3,678</u>
Total Fund Balances (Deficit)	<u>46,970</u>	<u>8,489</u>	<u>12,226</u>	<u>4,228</u>
Total Liabilities and Fund Balances	<u>\$ 46,970</u>	<u>\$ 16,610</u>	<u>\$ 12,928</u>	<u>\$ 4,232</u>

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<u>Educational Foundation</u>	<u>District Managed Activities</u>	<u>Auxiliary Services</u>	<u>Professional Development</u>	<u>Educational Management Information Systems</u>	<u>Data Communication</u>
\$ 1,812	\$ 64,400	\$ 38,307	\$ -	\$ 30	\$ -
-	1,655	89	-	-	-
-	-	-	-	-	-
<u>\$ 1,812</u>	<u>\$ 66,055</u>	<u>\$ 38,396</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>
\$ 544	\$ 6,120	\$ 20,405	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	8	38	-	-	-
-	800	-	-	-	-
-	-	-	-	-	-
<u>544</u>	<u>6,928</u>	<u>20,443</u>	<u>-</u>	<u>-</u>	<u>-</u>
224	1,094	17,436	-	30	-
<u>1,044</u>	<u>58,033</u>	<u>517</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,268</u>	<u>59,127</u>	<u>17,953</u>	<u>-</u>	<u>30</u>	<u>-</u>
<u>\$ 1,812</u>	<u>\$ 66,055</u>	<u>\$ 38,396</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ -</u>

Continued

# West Geauga Local School District

## Combining Balance Sheet – Nonmajor Special Revenue Funds (continued)

June 30, 2003

	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Miscellaneous State Grants</u>	<u>Education for Economic Security Act</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,213	\$ 13,188	\$ 1,777	\$ -
Accounts Receivable	-	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	<u>\$ 2,213</u>	<u>\$ 13,188</u>	<u>\$ 1,777</u>	<u>\$ -</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ -	\$ 11,144	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	6	16	-	-
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>6</u>	<u>11,160</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Reserve for Encumbrances	1,920	2,032	-	-
Unreserved; Undesignated (Deficit)	<u>287</u>	<u>(4)</u>	<u>1,777</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>2,207</u>	<u>2,028</u>	<u>1,777</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 2,213</u>	<u>\$ 13,188</u>	<u>\$ 1,777</u>	<u>\$ -</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Classroom Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$ 11,701	\$ 2,628	\$ 10,282	\$ 3,597	\$ 4,159	\$ 293	\$ 234,787
-	-	-	-	-	-	2,084
<u>10,000</u>	<u>-</u>	<u>25,994</u>	<u>964</u>	<u>12,431</u>	<u>1,625</u>	<u>51,014</u>
\$ <u>21,701</u>	\$ <u>2,628</u>	\$ <u>36,276</u>	\$ <u>4,561</u>	\$ <u>16,590</u>	\$ <u>1,918</u>	\$ <u>287,885</u>
\$ 400	\$ 2,628	\$ 197	\$ -	\$ 3,693	\$ -	\$ 53,005
11,762	-	-	-	6,245	-	18,007
2,604	70	-	-	1,053	-	3,878
-	-	-	3,102	1,737	-	6,509
-	-	<u>25,994</u>	<u>-</u>	<u>-</u>	<u>1,625</u>	<u>27,619</u>
<u>14,766</u>	<u>2,698</u>	<u>26,191</u>	<u>3,102</u>	<u>12,728</u>	<u>1,625</u>	<u>109,018</u>
3,716	-	1,720	3,596	466	-	33,011
<u>3,219</u>	<u>(70)</u>	<u>8,365</u>	<u>(2,137)</u>	<u>3,396</u>	<u>293</u>	<u>145,856</u>
<u>6,935</u>	<u>(70)</u>	<u>10,085</u>	<u>1,459</u>	<u>3,862</u>	<u>293</u>	<u>178,867</u>
\$ <u>21,701</u>	\$ <u>2,628</u>	\$ <u>36,276</u>	\$ <u>4,561</u>	\$ <u>16,590</u>	\$ <u>1,918</u>	\$ <u>287,885</u>

# West Geauga Local School District

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds

For The Fiscal Year Ended June 30, 2003

	Special Trusts	Rotary	Public School Support	Local Grants
<u>Revenues</u>				
Tuition	\$ -	\$ 6,475	\$ -	\$ -
Earnings on Investments	1,262	-	-	-
Extracurricular Activities	-	90,484	-	-
Miscellaneous	4,085	4,603	25,286	7,954
Intergovernmental	-	-	-	-
Total Revenues	<u>5,347</u>	<u>101,562</u>	<u>25,286</u>	<u>7,954</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	-	129,824	20,563	3,757
Special Education	-	-	-	-
Support Services:				
Pupils	460	-	-	35
Instructional Staff	-	-	-	21,816
Administration	-	-	7,438	-
Operations and Maintenance – Plant	-	-	-	-
Central Services	-	-	-	-
Community Services	1,244	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>1,704</u>	<u>129,824</u>	<u>28,001</u>	<u>25,608</u>
Excess of Revenues Over (Under) Expenditures	3,643	(28,262)	(2,715)	(17,654)
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	-	-	-	135
Refund of Prior Years Receipts	-	-	-	(529)
Transfers – In	-	8,709	-	-
Transfers – Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>8,709</u>	<u>-</u>	<u>(394)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,643	(19,533)	(2,715)	(18,048)
Fund Balance (Deficit) at Beginning of Year	<u>43,327</u>	<u>28,042</u>	<u>14,941</u>	<u>22,276</u>
Fund Balance (Deficit) at End of Year	\$ <u>46,970</u>	\$ <u>8,489</u>	\$ <u>12,226</u>	\$ <u>4,228</u>



<u>Educational Foundation</u>	<u>District Managed Activities</u>	<u>Auxiliary Services</u>	<u>Professional Development</u>	<u>Educational Management Information Systems</u>	<u>Data Communcation</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,747	-	-	-
-	231,968	-	-	-	-
12,861	8,396	-	-	-	-
-	-	404,592	-	9,560	7,000
<u>12,861</u>	<u>240,364</u>	<u>407,339</u>	<u>-</u>	<u>9,560</u>	<u>7,000</u>
10,271	-	-	-	-	-
-	-	-	-	-	-
3,803	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	994	-
-	-	-	-	-	-
-	-	-	-	13,078	7,000
1,803	-	410,290	-	-	-
2,000	232,628	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>17,877</u>	<u>232,628</u>	<u>410,290</u>	<u>-</u>	<u>14,072</u>	<u>7,000</u>
(5,016)	7,736	(2,951)	-	(4,512)	-
-	-	17	-	-	-
(6,289)	-	-	-	-	-
-	-	-	-	-	-
-	(7,545)	-	-	-	-
<u>(6,289)</u>	<u>(7,545)</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>
(11,305)	191	(2,934)	-	(4,512)	-
<u>12,573</u>	<u>58,936</u>	<u>20,887</u>	<u>-</u>	<u>4,542</u>	<u>-</u>
\$ <u><u>1,268</u></u>	\$ <u><u>59,127</u></u>	\$ <u><u>17,953</u></u>	\$ <u><u>-</u></u>	\$ <u><u>30</u></u>	\$ <u><u>-</u></u>

Continued

# West Geauga Local School District

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds (continued)

For The Fiscal Year Ended June 30, 2003

	School Net Professional Development	Ohio Reads	Miscellaneous State Grants	Education for Economic Security Act
<u>Revenues</u>				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	49	-
Intergovernmental	4,600	19,000	2,319	-
Total Revenues	<u>4,600</u>	<u>19,000</u>	<u>2,368</u>	<u>-</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	2,078	26,824	-	-
Special Education	-	-	-	-
Support Services:				
Pupils	-	-	-	3,740
Instructional Staff	5,808	-	-	1,227
Administration	-	-	-	-
Operations and Maintenance – Plant	-	-	2,320	-
Central Services	-	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>7,886</u>	<u>26,824</u>	<u>2,320</u>	<u>4,967</u>
Excess of Revenues Over (Under) Expenditures	(3,286)	(7,824)	48	(4,967)
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	-	-	-	-
Refund of Prior Years Receipts	-	-	-	(3,609)
Transfers – In	-	-	-	-
Transfers – Out	-	-	-	(5,076)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,685)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,286)	(7,824)	48	(13,652)
Fund Balance (Deficit) at Beginning of Year	<u>5,493</u>	<u>9,852</u>	<u>1,729</u>	<u>13,652</u>
Fund Balance (Deficit) at End of Year	<u>\$ 2,207</u>	<u>\$ 2,028</u>	<u>\$ 1,777</u>	<u>\$ -</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>	<u>Classroom Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,475
-	-	-	-	-	-	4,009
-	-	-	-	-	-	322,452
-	-	-	-	-	-	63,234
<u>268,770</u>	<u>61,167</u>	<u>3,197</u>	<u>9,186</u>	<u>50,625</u>	<u>293</u>	<u>840,309</u>
<u>268,770</u>	<u>61,167</u>	<u>3,197</u>	<u>9,186</u>	<u>50,625</u>	<u>293</u>	<u>1,236,479</u>
-	-	6,733	7,218	-	-	207,268
37,115	37,383	-	-	30,142	-	104,640
215,347	-	-	-	-	-	223,385
1,314	2,967	-	-	19,214	-	52,346
16,793	-	-	-	-	-	25,225
-	-	-	-	-	-	2,320
-	-	-	-	-	-	20,078
16,852	10,509	1,884	997	-	-	443,579
-	-	-	-	-	-	234,628
<u>287,421</u>	<u>50,859</u>	<u>8,617</u>	<u>8,215</u>	<u>49,356</u>	<u>-</u>	<u>1,313,469</u>
(18,651)	10,308	(5,420)	971	1,269	293	(76,990)
-	-	-	-	-	-	152
-	-	(5,895)	-	-	-	(16,322)
-	-	-	-	5,076	-	13,785
-	-	-	-	-	-	(12,621)
<u>-</u>	<u>-</u>	<u>(5,895)</u>	<u>-</u>	<u>5,076</u>	<u>-</u>	<u>(15,006)</u>
(18,651)	10,308	(11,315)	971	6,345	293	(91,996)
<u>25,586</u>	<u>(10,378)</u>	<u>21,400</u>	<u>488</u>	<u>(2,483)</u>	<u>-</u>	<u>270,863</u>
\$ <u>6,935</u>	\$ <u>(70)</u>	\$ <u>10,085</u>	\$ <u>1,459</u>	\$ <u>3,862</u>	\$ <u>293</u>	\$ <u>178,867</u>

# West Geauga Local School District

## Combining Balance Sheet – Nonmajor Capital Projects Funds

June 30, 2003

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	<u>Permanent Improvement</u>	<u>Building</u>	<u>School Net Plus</u>	<u>Total</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 207,650	\$ -	\$ 2,644	\$ 210,294
Taxes Receivable	514,910	-	-	514,910
Intergovernmental Receivable	-	96,000	-	96,000
Total Assets	<u>\$ 722,560</u>	<u>\$ 96,000</u>	<u>\$ 2,644</u>	<u>\$ 821,204</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ 13,461	\$ -	\$ -	\$ 13,461
Deferred Revenue	474,502	-	-	474,502
Total Liabilities	<u>487,963</u>	<u>-</u>	<u>-</u>	<u>487,963</u>
Fund Balances:				
Reserve for Encumbrances	51,466	-	-	51,466
Reserve for Property Taxes	40,408	-	-	40,408
Unreserved; Undesignated	142,723	96,000	2,644	241,367
Total Fund Balances	<u>234,597</u>	<u>96,000</u>	<u>2,644</u>	<u>333,241</u>
Total Liabilities and Fund Balances	<u>\$ 722,560</u>	<u>\$ 96,000</u>	<u>\$ 2,644</u>	<u>\$ 821,204</u>

# West Geauga Local School District

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds

For The Fiscal Year Ended June 30, 2003

	<u>Permanent Improvement</u>	<u>Building</u>	<u>School Net Plus</u>	<u>Total</u>
<u>Revenues</u>				
Taxes	\$ 504,592	\$ -	\$ -	\$ 504,592
Intergovernmental	<u>63,722</u>	<u>-</u>	<u>40,634</u>	<u>104,356</u>
Total Revenues	<u>568,314</u>	<u>-</u>	<u>40,634</u>	<u>608,948</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	53,884	-	40,634	94,518
Support Services:				
Instructional Staff	18,270	-	-	18,270
Administration	2,246	-	-	2,246
Fiscal Services	7,872	-	-	7,872
Operations and Maintenance – Plant	318,582	-	-	318,582
Pupil Transportation	<u>121,172</u>	<u>-</u>	<u>-</u>	<u>121,172</u>
Total Expenditures	<u>522,026</u>	<u>-</u>	<u>40,634</u>	<u>562,660</u>
Excess of Revenues Over (Under) Expenditures	46,288	-	-	46,288
<u>Other Financing Sources (Uses)</u>				
Transfers – Out	<u>-</u>	<u>(121,215)</u>	<u>-</u>	<u>(121,215)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	46,288	(121,215)	-	(74,927)
Fund Balance at Beginning of Year	<u>188,309</u>	<u>217,215</u>	<u>2,644</u>	<u>408,168</u>
Fund Balance at End of Year	\$ <u>234,597</u>	\$ <u>96,000</u>	\$ <u>2,644</u>	\$ <u>333,241</u>

West Geauga Local School District

Combining Statement of Changes in Assets and Liabilities –  
All Agency Funds

For The Fiscal Year Ended June 30, 2003

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	<u>Balance</u> <u>06/30/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/03</u>
<u>Student Activities</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 31,549	\$ 130,278	\$ 125,977	\$ 35,850
Accounts Receivable	<u>-</u>	<u>411</u>	<u>-</u>	<u>411</u>
Total Assets	<u>\$ 31,549</u>	<u>130,689</u>	<u>\$ 125,977</u>	<u>\$ 36,261</u>
Liabilities:				
Accounts Payable	\$ -	\$ 446	\$ -	\$ 446
Due to Students	<u>31,549</u>	<u>4,266</u>	<u>-</u>	<u>35,815</u>
Total Liabilities	<u>\$ 31,549</u>	<u>\$ 4,712</u>	<u>\$ -</u>	<u>\$ 36,261</u>

# **West Geauga Local School District**

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

# West Geauga Local School District

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
From Local Sources:				
Taxes	\$ 11,429,260	\$ 12,072,857	\$ 12,178,052	\$ 105,195
Earnings on Investments	56,657	52,731	54,999	2,268
Classroom Materials and Fees	16,773	15,611	16,282	671
Miscellaneous	146,305	136,167	142,023	5,856
Transportation Fees	8,532	7,941	8,282	341
Intergovernmental	<u>6,123,792</u>	<u>5,729,279</u>	<u>5,958,464</u>	<u>229,185</u>
Total Revenues	<u>17,781,319</u>	<u>18,014,586</u>	<u>18,358,102</u>	<u>343,516</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	7,910,258	8,073,386	8,072,931	455
Special Education	1,524,709	1,552,124	1,552,124	-
Vocational Education	250,684	255,191	255,191	-
Other Instruction	323,113	328,968	328,923	45
Support Services:				
Pupils	1,384,145	1,409,032	1,409,032	-
Instructional Staff	685,944	698,277	698,277	-
Board of Education	37,367	38,040	38,040	-
Administration	1,783,071	1,815,131	1,815,131	-
Fiscal Services	457,640	466,222	466,157	65
Business	168,290	171,316	171,316	-
Operation and Maintenance - Plant	1,933,320	1,968,082	1,968,082	-
Pupil Transportation	1,417,528	1,443,016	1,443,016	-
Central Services	59,782	60,857	60,857	-
Community Services	126,232	128,502	128,502	-
Extracurricular Activities	<u>431,276</u>	<u>439,031</u>	<u>439,031</u>	<u>-</u>
Total Expenditures	<u>18,493,359</u>	<u>18,847,175</u>	<u>18,846,610</u>	<u>565</u>
Excess of Revenues Over (Under)				
Expenditures	(712,040)	(832,589)	(488,508)	344,081
<u>Other Financing Sources (Uses)</u>				
Transfers - In	132,642	123,451	128,760	5,309
Advances - In	115,158	107,178	111,787	4,609
Refund of Prior Year Expenditures	55,745	51,882	54,113	2,231
Transfers - Out	(8,555)	(8,709)	(8,709)	-
Advances - Out	<u>(167,033)</u>	<u>(170,036)</u>	<u>(170,036)</u>	<u>-</u>
Total Other Financing Sources	<u>127,957</u>	<u>103,766</u>	<u>115,915</u>	<u>12,149</u>



# West Geauga Local School District

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual (continued) For The Fiscal Year Ended June 30, 2003

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	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(584,083)	(728,823)	(372,593)	356,230
Fund Balance at Beginning of Year	242,113	242,113	242,113	-
Prior Year Encumbrances Appropriated	<u>152,776</u>	<u>152,776</u>	<u>152,776</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>(189,194)</u>	\$ <u>(333,934)</u>	\$ <u>22,296</u>	\$ <u>356,230</u>

# West Geauga Local School District

## Debt Service Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 2,001,340	\$ 1,977,606	\$ 1,986,924	\$ 9,318
Intergovernmental	237,800	250,725	241,407	(9,318)
Total Revenues	<u>2,239,140</u>	<u>2,228,331</u>	<u>2,228,331</u>	<u>-</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Fiscal Services	29,691	29,702	29,702	-
Debt Service:				
Repayment of Debt	<u>2,061,709</u>	<u>2,062,491</u>	<u>2,062,491</u>	<u>-</u>
Total Expenditures	<u>2,091,400</u>	<u>2,092,193</u>	<u>2,092,193</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	147,740	136,138	136,138	-
Fund Balance at Beginning of Year	<u>1,094,386</u>	<u>1,094,386</u>	<u>1,094,386</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>1,242,126</u>	\$ <u>1,230,524</u>	\$ <u>1,230,524</u>	\$ <u>-</u>

# West Geauga Local School District

## Special Trusts Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Miscellaneous	\$ 3,684	\$ 4,085	\$ 4,085	\$ -
Interest	<u>1,316</u>	<u>1,459</u>	<u>1,459</u>	<u>-</u>
Total Revenues	<u>5,000</u>	<u>5,544</u>	<u>5,544</u>	<u>-</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Pupils	10,640	453	453	-
Community Services	<u>29,360</u>	<u>1,250</u>	<u>1,250</u>	<u>-</u>
Total Expenditures	<u>40,000</u>	<u>1,703</u>	<u>1,703</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(35,000)	3,841	3,841	-
Fund Balance at Beginning of Year	<u>43,052</u>	<u>43,052</u>	<u>43,052</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>8,052</u></u>	\$ <u><u>46,893</u></u>	\$ <u><u>46,893</u></u>	\$ <u><u>-</u></u>

# West Geauga Local School District

## Rotary Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Tuition	\$ 3,883	\$ 6,475	\$ 6,475	\$ -
Extracurricular Activities	54,206	90,395	90,396	1
Miscellaneous	2,941	4,904	4,904	-
Total Revenues	<u>61,030</u>	<u>101,774</u>	<u>101,775</u>	<u>1</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Instruction:				
Salaries	11,556	23,975	23,975	-
Employees' Retirement and Insurance	2,094	4,342	4,342	-
Purchased Services	49,992	103,714	103,714	-
Supplies and Materials	2,577	5,347	5,347	-
Other	15	32	32	-
Total Expenditures	<u>66,234</u>	<u>137,410</u>	<u>137,410</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(5,204)	(35,636)	(35,635)	1
<u>Other Financing Sources (Uses)</u>				
Operating Transfers – In	5,222	8,709	8,709	-
Advances – In	3,748	6,250	6,250	-
Advances – Out	(6,266)	(13,000)	(13,000)	-
Total Other Financing Sources (Uses)	<u>2,704</u>	<u>1,959</u>	<u>1,959</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,500)	(33,677)	(33,676)	1
Fund Balance at Beginning of Year	34,870	34,870	34,870	-
Prior Year Encumbrances Appropriated	<u>6,232</u>	<u>6,232</u>	<u>6,232</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>38,602</u></u>	\$ <u><u>7,425</u></u>	\$ <u><u>7,426</u></u>	\$ <u><u>1</u></u>

# West Geauga Local School District

## Public School Support Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Miscellaneous	\$ 16,000	\$ 25,121	\$ 25,121	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	21,159	22,356	22,282	74
Support Services:				
Administration	7,341	7,757	7,731	26
Total Expenditures	28,500	30,113	30,013	100
Excess of Revenues Over (Under) Expenditures	(12,500)	(4,992)	(4,892)	100
Fund Balance at Beginning of Year	15,504	15,504	15,504	-
Prior Year Encumbrances Appropriated	1,308	1,308	1,308	-
Fund Balance at End of Year	\$ 4,312	\$ 11,820	\$ 11,920	\$ 100

# West Geauga Local School District

## Local Grants Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Miscellaneous	\$ 19,666	\$ 7,954	\$ 7,954	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	3,520	3,757	3,757	-
Support Services:				
Pupils	32	34	34	-
Instructional Staff	20,952	22,362	22,362	-
Total Expenditures	24,504	26,153	26,153	-
Excess of Revenues Over (Under) Expenditures	(4,838)	(18,199)	(18,199)	-
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	334	135	135	-
Refund of Prior Year Receipts	(496)	(529)	(529)	-
Total Other Financing Sources (Uses)	(162)	(394)	(394)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,000)	(18,593)	(18,593)	-
Fund Balance at Beginning of Year	5,994	5,994	5,994	-
Prior Year Encumbrances Appropriated	16,284	16,284	16,284	-
Fund Balance at End of Year	\$ 17,278	\$ 3,685	\$ 3,685	\$ -

# West Geauga Local School District

## Education Foundation Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Miscellaneous	\$ 20,000	\$ 12,861	\$ 12,861	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	15,172	15,816	15,816	-
Support Services:				
Pupils	3,648	3,803	3,803	-
Community Services	1,729	1,803	1,803	-
Extracurricular Activities	1,918	2,000	2,000	-
Total Expenditures	<u>22,467</u>	<u>23,422</u>	<u>23,422</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(2,467)	(10,561)	(10,561)	-
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Receipts	<u>(6,033)</u>	<u>(6,290)</u>	<u>(6,290)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,500)	(16,851)	(16,851)	-
Fund Balance at Beginning of Year	12,575	12,575	12,575	-
Prior Year Encumbrances Appropriated	<u>5,320</u>	<u>5,320</u>	<u>5,320</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>9,395</u>	\$ <u>1,044</u>	\$ <u>1,044</u>	\$ <u>-</u>

# West Geauga Local School District

## District Managed Activities Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Miscellaneous	\$ 7,806	\$ 8,396	\$ 8,396	\$ -
Extracurricular Activities	<u>214,811</u>	<u>231,033</u>	<u>231,033</u>	<u>-</u>
Total Revenues	<u>222,617</u>	<u>239,429</u>	<u>239,429</u>	<u>-</u>
<u>Expenditures</u>				
Current:				
Extracurricular Activities	<u>259,890</u>	<u>234,775</u>	<u>234,524</u>	<u>251</u>
Excess of Revenues Over (Under) Expenditures	(37,273)	4,654	4,905	251
<u>Other Financing Sources (Uses)</u>				
Transfers – In	26,638	28,650	28,650	-
Advances – In	744	800	800	-
Transfers – Out	<u>(40,110)</u>	<u>(36,234)</u>	<u>(36,195)</u>	<u>39</u>
Total Other Financing Sources (Uses)	<u>(12,728)</u>	<u>(6,784)</u>	<u>(6,745)</u>	<u>39</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(50,001)	(2,130)	(1,840)	290
Fund Balance at Beginning of Year	53,408	53,408	53,408	-
Prior Year Encumbrances Appropriated	<u>9,974</u>	<u>9,974</u>	<u>9,974</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>13,381</u>	\$ <u>61,252</u>	\$ <u>61,542</u>	\$ <u>290</u>



# West Geauga Local School District

## Auxillary Services Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Interest	\$ 3,232	\$ 2,994	\$ 2,994	\$ -
Intergovernmental	<u>436,750</u>	<u>404,591</u>	<u>404,592</u>	<u>1</u>
Total Revenues	<u>439,982</u>	<u>407,585</u>	<u>407,586</u>	<u>1</u>
<u>Expenditures</u>				
Current:				
Community Services	<u>445,000</u>	<u>467,235</u>	<u>467,235</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(5,018)	(59,650)	(59,649)	1
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	<u>18</u>	<u>17</u>	<u>17</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,000)	(59,633)	(59,632)	1
Fund Balance at Beginning of Year	6,135	6,135	6,135	-
Prior Year Encumbrances Appropriated	<u>56,540</u>	<u>56,540</u>	<u>56,540</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>57,675</u>	\$ <u>3,042</u>	\$ <u>3,043</u>	\$ <u>1</u>

West Geauga Local School District

Professional Development Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For The Fiscal Year Ended June 30, 2003

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	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ <u>1,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Instructional Staff	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under)				
Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

West Geauga Local School District

Educational Management Information Systems Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For The Fiscal Year Ended June 30, 2003

---

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ <u>7,000</u>	\$ <u>9,560</u>	\$ <u>9,560</u>	\$ <u>-</u>
<u>Expenditures</u>				
Current:				
Support Services:				
Administration	986	1,227	1,227	-
Central Services	<u>10,514</u>	<u>13,078</u>	<u>13,078</u>	-
Total Expenditures	<u>11,500</u>	<u>14,305</u>	<u>14,305</u>	-
Excess of Revenues Over (Under) Expenditures	(4,500)	(4,745)	(4,745)	-
Fund Balance at Beginning of Year	<u>4,745</u>	<u>4,745</u>	<u>4,745</u>	-
Fund Balance at End of Year	\$ <u><u>245</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

West Geauga Local School District

Data Communications Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For The Fiscal Year Ended June 30, 2003

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	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ <u>14,000</u>	\$ <u>7,000</u>	\$ <u>7,000</u>	\$ <u>-</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Support Services:				
Central	<u>14,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Excess of Revenues Over (Under)				
Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

# West Geauga Local School District

## Schoolnet Professional Development Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 4,000	\$ 4,600	\$ 4,600	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	848	2,078	2,078	-
Support Services:				
Instructional Staff	<u>3,152</u>	<u>7,723</u>	<u>7,723</u>	<u>-</u>
Total Expenditures	<u>4,000</u>	<u>9,801</u>	<u>9,801</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	(5,201)	(5,201)	-
Fund Balance at Beginning of Year	<u>5,493</u>	<u>5,493</u>	<u>5,493</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>5,493</u></u>	\$ <u><u>292</u></u>	\$ <u><u>292</u></u>	\$ <u><u>-</u></u>

West Geauga Local School District

Ohio Reads Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For The Fiscal Year Ended June 30, 2003

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	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ <u>15,000</u>	\$ <u>19,000</u>	\$ <u>19,000</u>	\$ <u>-</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	<u>15,000</u>	<u>30,332</u>	<u>30,332</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	(11,332)	(11,332)	-
Fund Balance at Beginning of Year	11	11	11	-
Prior Year Encumbrances Appropriated	<u>11,332</u>	<u>11,332</u>	<u>11,332</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>11,343</u></u>	\$ <u><u>11</u></u>	\$ <u><u>11</u></u>	\$ <u><u>-</u></u>

# West Geauga Local School District

## Miscellaneous State Grants Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For The Fiscal Year Ended June 30, 2003

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	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 4,500	\$ 2,319	\$ 2,319	\$ -
<u>Expenditures</u>				
Current:				
Supporting Services:				
Operation and Maintenance - Plant	5,000	2,270	2,270	-
Excess of Revenues Over (Under) Expenditures	(500)	49	49	
Fund Balance at Beginning of Year	745	745	745	-
Prior Year Encumbrances Appropriated	983	983	983	-
Fund Balance at End of Year	\$ 1,228	\$ 1,777	\$ 1,777	\$ -

# West Geauga Local School District

## Education for Economic Security Act Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 11,300	\$ -	\$ -	\$ -
<u>Expenditures</u>				
Current:				
Support Services:				
Pupils	4,763	3,766	3,766	-
Instructional Staff	1,552	1,227	1,227	-
Total Expenditures	6,315	4,993	4,993	-
Excess of Revenues Over (Under) Expenditures	4,985	(4,993)	(4,993)	
<u>Other Financing Sources (Uses)</u>				
Transfers – Out	(6,420)	(5,076)	(5,076)	-
Refund of Prior Year Receipts	(4,565)	(3,609)	(3,609)	-
Total Other Financing Sources (Uses)	(10,985)	(8,685)	(8,685)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,000)	(13,678)	(13,678)	-
Fund Balance at Beginning of Year	12,605	12,605	12,605	-
Prior Year Encumbrances Appropriated	1,074	1,074	1,074	-
Fund Balance at End of Year	\$ 7,679	\$ 1	\$ 1	\$ -



# West Geauga Local School District

## Title VI-B Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 245,000	\$ 258,770	\$ 258,770	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Special Education	34,089	35,158	35,158	-
Support Services:				
Pupils	202,388	208,732	208,732	-
Instructional Staff	1,164	1,200	1,200	-
Administration	16,019	16,521	16,521	-
Community Services	16,340	16,852	16,852	-
Total Expenditures	<u>270,000</u>	<u>278,463</u>	<u>278,463</u>	<u>-</u>
Excess of Revenues Over (Under)				
Expenditures	(25,000)	(19,693)	(19,693)	-
Fund Balance at Beginning of Year	26,819	26,819	26,819	-
Prior Year Encumbrances Appropriated	<u>459</u>	<u>459</u>	<u>459</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>2,278</u>	\$ <u>7,585</u>	\$ <u>7,585</u>	\$ <u>-</u>

# West Geauga Local School District

## Title I Special Revenue Fund

### Schedule Of Revenues, Expenditures And Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) And Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 85,500	\$ 61,167	\$ 61,167	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Special Education	63,020	47,114	47,114	-
Support Services:				
Instructional Staff	3,968	2,967	2,967	-
Community Services	14,057	10,509	10,509	-
Total Expenditures	81,045	60,590	60,590	-
Excess of Revenues Over (Under) Expenditures	4,455	577	577	-
<u>Other Financing Sources (Uses)</u>				
Advances – Out	(2,455)	(1,835)	(1,835)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,000	(1,258)	(1,258)	-
Fund Balance at Beginning of Year	1	1	1	-
Prior Year Encumbrances Appropriated	1,258	1,258	1,258	-
Fund Balance at End of Year	\$ 3,259	\$ 1	\$ 1	\$ -

# West Geauga Local School District

## Title VI Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 4,556	\$ 3,197	\$ 3,197	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	6,339	6,733	6,733	-
Community Services	3,391	3,602	3,602	-
Total Expenditures	9,730	10,335	10,335	-
Excess of Revenues Over (Under) Expenditures	(5,174)	(7,138)	(7,138)	-
<u>Other Financing Sources (Uses)</u>				
Transfers – In	12,444	8,731	8,732	1
Transfers – Out	(8,220)	(8,732)	(8,732)	-
Refund of Prior Year Receipts	(5,550)	(5,895)	(5,895)	-
Total Other Financing Sources (Uses)	(1,326)	(5,896)	(5,895)	1
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,500)	(13,034)	(13,033)	1
Fund Balance at Beginning of Year	14,628	14,628	14,628	-
Prior Year Encumbrances Appropriated	6,772	6,772	6,772	-
Fund Balance at End of Year	\$ 14,900	\$ 8,366	\$ 8,367	\$ 1

# West Geauga Local School District

## Drug Free Schools Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 13,795	\$ 8,222	\$ 8,222	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	15,833	11,795	11,795	-
Community Services	3,667	2,732	2,732	-
Total Expenditures	19,500	14,527	14,527	-
Excess of Revenues Over (Under) Expenditures	(5,705)	(6,305)	(6,305)	-
<u>Other Financing Sources (Uses)</u>				
Advances – In	5,205	3,102	3,102	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(500)	(3,203)	(3,203)	-
Fund Balance at Beginning of Year	783	783	783	-
Prior Year Encumbrances Appropriated	2,421	2,421	2,421	-
Fund Balance at End of Year	\$ 2,704	\$ 1	\$ 1	\$ -

# West Geauga Local School District

## Classroom Reduction Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 25,459	\$ 38,194	\$ 38,194	\$ -
<u>Expenditures</u>				
Current:				
Instruction:				
Special Education	17,541	27,632	27,632	-
Support Services:				
Instructional Staff	12,459	19,626	19,626	-
Total Expenditures	30,000	47,258	47,258	-
Excess of Revenues Over (Under) Expenditures	(4,541)	(9,064)	(9,064)	-
<u>Other Financing Sources (Uses)</u>				
Transfers – In	3,383	5,076	5,076	-
Advances – In	1,158	1,737	1,737	-
Total Other Financing Sources (Uses)	4,541	6,813	6,813	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(2,251)	(2,251)	-
Fund Balance at Beginning of Year	2,251	2,251	2,251	-
Fund Balance at End of Year	\$ 2,251	\$ -	\$ -	\$ -

West Geauga Local School District

Miscellaneous Federal Grants Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For The Fiscal Year Ended June 30, 2003

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	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ <u>      -</u>	\$ <u>      293</u>	\$ <u>      293</u>	\$ <u>      -</u>
Fund Balance at Beginning of Year	<u>      -</u>	<u>      -</u>	<u>      -</u>	<u>      -</u>
Fund Balance at End of Year	\$ <u>      -</u>	\$ <u>      293</u>	\$ <u>      293</u>	\$ <u>      -</u>

# West Geauga Local School District

## Permanent Improvement Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 471,500	\$ 499,783	\$ 502,084	\$ 2,301
Intergovernmental	<u>65,644</u>	<u>72,967</u>	<u>63,722</u>	<u>(9,245)</u>
Total Revenues	<u>537,144</u>	<u>572,750</u>	<u>565,806</u>	<u>(6,944)</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	95,085	89,847	89,847	-
Support Services:				
Instructional Staff	20,749	19,606	19,606	-
Administration	2,377	2,246	2,246	-
Fiscal Services	8,331	7,872	7,872	-
Operation and Maintenance – Plant	345,222	326,204	326,204	-
Pupil Transportation	<u>128,236</u>	<u>121,172</u>	<u>121,172</u>	<u>-</u>
Total Expenditures	<u>600,000</u>	<u>566,947</u>	<u>566,947</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(62,856)	5,803	(1,141)	(6,944)
Fund Balance at Beginning of Year	<u>153,679</u>	<u>153,679</u>	<u>153,679</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>90,823</u>	\$ <u>159,482</u>	\$ <u>152,538</u>	\$ <u>(6,944)</u>

West Geauga Local School District

Building Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For The Fiscal Year Ended June 30, 2003

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	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Other Financing Sources (Uses)</u>				
Sale and Loss of Assets	\$ 100,000	\$ 96,000	\$ 96,000	\$ -
Transfers Out	<u>(125,000)</u>	<u>(121,215)</u>	<u>(121,215)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,215)</u>	<u>(25,215)</u>	<u>-</u>
Fund Balance at Beginning of Year	<u>25,216</u>	<u>25,216</u>	<u>25,216</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>216</u></u>	\$ <u><u>1</u></u>	<u><u>1</u></u>	<u><u>-</u></u>



# West Geauga Local School District

## Schoolnet Plus Capital Projects Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

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	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ <u>40,600</u>	\$ <u>40,634</u>	\$ <u>40,634</u>	\$ <u>-</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Education	<u>-</u>	<u>40,634</u>	<u>40,634</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	40,600	-	-	-
Fund Balance at Beginning of Year	<u>2,644</u>	<u>2,644</u>	<u>2,644</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>43,244</u></u>	\$ <u><u>2,644</u></u>	\$ <u><u>2,644</u></u>	\$ <u><u>-</u></u>

# West Geauga Local School District

## Food Service Enterprise Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Food Service	\$ 507,697	\$ 418,351	\$ 394,847	\$ (23,504)
Interest	85	70	66	(4)
Intergovernmental	<u>32,218</u>	<u>26,549</u>	<u>25,057</u>	<u>(1,492)</u>
Total Revenues	<u>540,000</u>	<u>444,970</u>	<u>419,970</u>	<u>(25,000)</u>
<u>Expenditures</u>				
Salaries	223,897	198,696	198,696	-
Employees' Retirement and Insurance	78,500	69,664	69,664	-
Purchased Services	171,317	152,034	152,034	-
Other	<u>1,286</u>	<u>1,141</u>	<u>1,141</u>	<u>-</u>
Total Expenditures	<u>475,000</u>	<u>421,535</u>	<u>421,535</u>	<u>-</u>
Excess of Revenues Over (Under) Expenses	65,000	23,435	(1,565)	(25,000)
Fund Balance at Beginning of Year	1,376	1,376	1,376	-
Prior Year Encumbrances Appropriated	<u>315</u>	<u>315</u>	<u>315</u>	<u>-</u>
Fund Balance at End of Year	\$ <u><u>66,691</u></u>	\$ <u><u>25,126</u></u>	\$ <u><u>126</u></u>	\$ <u><u>(25,000)</u></u>

# West Geauga Local School District

## Uniform School Supplies Enterprise Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Materials and Supplies	\$ 130,369	\$ 166,026	\$ 166,026	\$ -
<u>Expenditures</u>				
Salaries	128	150	150	-
Purchased Services	103	120	120	-
Materials and Supplies	138,207	161,385	161,385	-
Other	14	16	16	-
Total Expenditures	<u>138,452</u>	<u>161,671</u>	<u>161,671</u>	<u>-</u>
Excess of Revenues Over (Under)				
Expenses	<u>(8,083)</u>	<u>4,355</u>	<u>4,355</u>	<u>-</u>
<u>Other financing Sources (Uses)</u>				
Advances – In	19,631	25,000	25,000	-
Advances – Out	<u>(26,548)</u>	<u>(31,000)</u>	<u>(31,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(6,917)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(15,000)	(1,645)	(1,645)	-
Fund Balance at Beginning of Year	30,847	30,847	30,847	-
Prior Year Encumbrances Appropriated	<u>641</u>	<u>641</u>	<u>641</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>16,488</u>	\$ <u>29,843</u>	\$ <u>29,843</u>	\$ <u>-</u>

# West Geauga Local School District

## Adult Education Enterprise Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Miscellaneous	\$ 8,175	\$ 3,660	\$ 3,660	\$ -
<u>Expenses</u>				
Salaries	8,936	4,000	4,000	-
Employees' Retirement and Insurance	1,410	631	631	-
Purchased Services	2,498	1,118	1,118	-
Other	156	70	70	-
Total Expenses	<u>13,000</u>	<u>5,819</u>	<u>5,819</u>	<u>-</u>
Excess of Revenues Over (Under) Expenses	(4,825)	(2,159)	(2,159)	-
<u>Other Financing Sources (Uses)</u>				
Advances-In	<u>4,825</u>	<u>2,160</u>	<u>2,160</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	-	1	1	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>-</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>-</u>

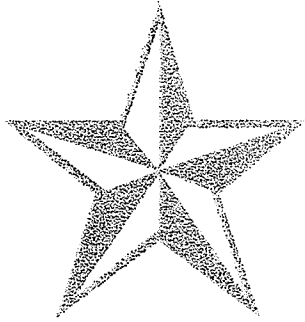
# West Geauga Local School District

## Self Insurance – Internal Service Fund

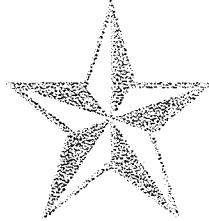
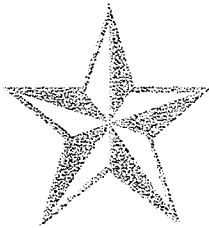
### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual For The Fiscal Year Ended June 30, 2003

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Miscellaneous	\$ 1,223,654	\$ 819,578	\$ 632,031	\$ (187,547)
<u>Expenditures</u>				
Operating Expenses:				
Purchased Services	1,130,848	738,541	735,853	2,688
Excess of Revenues Over (Under)Expenses	92,806	81,037	(103,822)	(184,859)
<u>Other Financing Sources (Uses)</u>				
Transfers – In	22,422	15,018	11,581	(3,437)
Advances – In	253,600	169,856	130,987	(38,869)
Prior Years Expenditures	14,325	9,595	7,399	(2,196)
Transfers – Out	(17,798)	(11,623)	(11,581)	42
Advances – Out	(101,354)	(66,193)	(65,952)	241
Total Other Financing Sources (Uses)	171,195	116,653	72,434	(44,219)
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	264,001	197,690	(31,388)	(229,078)
Fund Balance at Beginning of Year	34,390	34,390	34,390	-
Fund Balance at End of Year	\$ 298,391	\$ 232,080	\$ 3,002	\$ (229,078)

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# **Statistical Section**



# West Geauga Local School District

## General Fund Expenditures by Function and Other Financial Uses

June 30, 2003

Table 1

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Current:										
Instruction:										
Regular	\$ 6,674,252	\$ 8,253,475	\$ 7,798,813	\$ 7,509,900	\$ 7,218,407	\$ 7,243,503	\$ 7,165,680	\$ 6,960,111	\$ 6,611,575	\$ 6,514,992
Special	1,594,696	1,390,518	1,377,249	1,074,353	1,208,429	1,125,044	925,467	812,213	759,724	770,472
Vocational	255,184	210,065	333,248	276,151	128,420	123,647	117,709	118,814	112,074	106,422
Other Instruction	328,953	147,317	-	-	-	-	-	-	-	-
Support Services:										
Pupil	1,432,218	1,291,617	1,341,268	999,370	902,250	884,338	895,018	884,979	748,352	729,777
Instructional Staff	681,087	718,572	709,085	556,282	441,940	525,956	499,182	518,481	405,289	335,983
Board of Education	38,617	41,356	60,929	27,701	39,250	42,603	27,227	26,192	25,239	21,152
Administration	1,812,685	1,749,899	2,036,548	1,590,936	1,380,664	1,248,868	1,166,799	1,101,596	1,057,302	1,005,231
Fiscal	440,259	469,176	439,989	401,221	324,791	285,664	421,982	366,987	338,687	321,231
Business	168,347	145,290	130,595	55,095	63,696	105,022	117,590	136,611	113,604	111,983
Operation and										
Maintenance of Plant	1,968,971	1,931,999	2,027,205	1,749,392	1,792,039	1,787,803	1,671,230	1,333,443	1,405,129	1,309,016
Pupil Transportation	1,414,888	1,317,482	1,194,175	1,144,946	1,045,345	1,083,192	1,124,090	1,089,771	1,061,786	1,015,799
Central	61,421	69,747	81,792	87,567	83,067	95,456	91,304	81,807	74,143	73,956
Operation of Non-										
Instructional Services	128,499	74,921	79,122	2,276	-	-	-	-	-	-
Extracurricular Activities	441,465	485,055	470,181	385,882	385,590	344,640	330,720	334,807	298,470	256,111
Capital Outlay	-	-	-	-	-	595	-	3,988	32,181	281,135
Other Financing Uses	8,709	107,795	-	60,000	50,000	32,000	121,753	450	2,856	-
Total	\$ <u>17,450,251</u>	\$ <u>18,404,284</u>	\$ <u>18,080,199</u>	\$ <u>15,921,072</u>	\$ <u>15,063,888</u>	\$ <u>14,928,331</u>	\$ <u>14,675,751</u>	\$ <u>13,770,250</u>	\$ <u>13,046,411</u>	\$ <u>12,853,260</u>

Source: School District Financial Records

(1) 1998 through 2003 reported on a GAAP basis; all others on cash basis



## West Geauga Local School District

### General Fund Revenues by Source and Other Financing Sources

Last Ten Fiscal Years

Table 2

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Taxes	\$ 10,834,102	\$ 11,325,245	\$ 12,053,199	\$ 11,127,567	\$ 9,670,179	\$ 8,741,318	\$ 8,483,864	\$ 8,060,355	\$ 7,921,001	\$ 7,793,229
Intergovernmental	5,749,535	5,228,692	5,069,627	5,044,433	4,685,116	4,230,582	4,008,111	3,903,496	4,029,006	3,923,022
Tuition	-	21,133	25,955	30,146	28,799	8,875	13,548	81,539	56,635	64,948
Interest	55,235	113,627	314,055	221,137	213,613	231,955	278,706	270,033	214,926	122,580
Contributions and Donations	-	-	-	-	289	-	-	-	-	-
Charges for Services	-	-	24,851	16,812	14,723	-	-	-	-	-
Rentals	-	-	16,480	11,916	22,228	-	-	-	-	-
Miscellaneous	158,038	40,373	27,042	21,717	33,170	163,541	46,121	57,088	106,539	164,747
Other Financing Sources	<u>182,880</u>	<u>50,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,311,245</u>	<u>1,491,068</u>	<u>1,349,611</u>	<u>1,293,387</u>	<u>1,312,891</u>
Total	\$ <u>16,979,790</u>	\$ <u>16,779,397</u>	\$ <u>17,531,209</u>	\$ <u>16,473,728</u>	\$ <u>14,668,117</u>	\$ <u>14,687,516</u>	\$ <u>14,321,418</u>	\$ <u>13,722,122</u>	\$ <u>13,621,494</u>	\$ <u>13,381,417</u>

Source: School District Financial Records

(1) 1998 through 2003 reported on a GAAP basis; all others on cash basis.

West Geauga Local School District

Property Tax Levies And Collections – Real and Tangible Personal Property<sup>(1)</sup>

Last Nine Years

Table 3

<u>Year<sup>(2)</sup></u>	<u>Current Levy</u>	<u>Delinquent Levy<sup>(3)</sup></u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection as a Percent of Current Levy</u>
2002	\$ 15,769,050	\$ 484,802	\$ 16,253,852	\$ 15,477,378	98.17%	\$ 295,452	\$ 15,774,830	100.04%
2001	15,776,428	518,965	16,295,393	15,535,593	98.35%	267,483	15,803,076	100.04%
2000	16,877,420	481,787	17,359,207	16,565,053	98.15%	271,805	16,836,858	99.76%
1999	13,375,368	410,467	13,785,835	13,159,668	98.39%	203,549	13,363,217	99.91%
1998	12,860,499	447,441	13,307,940	12,684,228	98.63%	248,945	12,933,173	100.57%
1997	12,867,917	472,056	13,339,973	12,658,026	98.37%	251,248	12,909,274	100.32%
1996	12,038,930	431,117	12,470,047	11,828,361	98.25%	203,844	12,032,205	99.94%
1995	11,824,968	394,482	12,219,450	11,601,131	98.11%	205,869	11,807,000	99.85%
1994	10,158,131	351,000	10,509,131	9,946,721	97.92%	181,735	10,128,456	99.71%

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

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

# West Geauga Local School District

## Assessed and Estimated Actual Value of Taxable Property

### Last Ten Years

Table 4

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value <sup>(1)</sup>	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2003	\$ 558,995,410	\$ 1,597,129,742	\$ 17,196,620	\$ 19,541,613	\$ 8,511,190	\$ 34,044,760	\$ 584,703,220	\$ 1,650,716,115	35.42%
2002	507,603,620	1,450,296,057	18,999,890	21,590,784	8,432,440	33,729,760	535,035,950	1,505,616,601	35.54%
2001	501,425,900	1,432,645,429	22,866,870	25,985,080	7,559,400	30,237,600	531,852,170	1,488,868,109	35.72%
2000	494,080,470	1,411,658,486	23,719,970	26,954,511	7,462,270	28,849,080	525,262,710	1,468,462,077	35.77%
1999	420,639,630	1,201,827,514	25,496,420	28,973,205	7,777,070	31,108,280	453,913,120	1,261,908,999	35.97%
1998	415,476,820	1,187,076,629	25,762,260	29,275,295	6,851,410	27,405,640	448,090,490	1,243,757,564	36.03%
1997	411,336,370	1,175,246,771	29,080,100	33,045,568	6,480,170	25,920,680	446,896,640	1,234,213,019	36.21%
1996	374,795,820	1,070,845,200	30,290,840	34,421,409	6,604,320	26,417,280	411,690,980	1,131,683,889	36.38%
1995	369,723,390	1,056,352,543	28,800,100	32,727,386	7,115,248	28,460,992	405,638,738	1,117,540,921	36.30%
1994	361,355,520	1,032,444,343	28,645,420	32,551,614	6,803,020	27,212,080	396,803,960	1,092,208,037	36.33%

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

(1) This amount is calculated based on the following percentages:

Real Estate is assessed at 35 percent of actual value.

Public utility personal is assessed at 88 percent of actual value.

Tangible personal property is assessed at 25 percent of actual value.

West Geauga Local School District

Property Tax Rates – Direct and Overlapping Governments

Last Ten Years

Table 5

Year	School Levy	Recreation District	Russell Township	Library	County Levy	Total Levy	Debt Service Included in Total Levy		
							School	County	Total
2003	\$ 50.00	\$ 0.20	\$ 21.09	\$ 1.00	\$ 14.60	\$ 86.89	\$ 3.55	\$ 0.30	\$ 3.85
2002	50.77	0.20	21.09	1.00	14.40	87.46	4.05	0.30	4.35
2001	50.77	0.20	20.15	1.00	13.40	85.52	4.05	0.30	4.35
2000	53.24	0.20	20.15	1.00	12.65	87.24	4.05	0.30	4.35
1999	50.30	0.20	20.15	1.00	12.45	84.10	4.05	0.30	4.35
1998	50.30	0.20	20.15	1.00	12.45	84.10	4.05	0.30	4.35
1997	50.30	0.20	20.15	1.00	12.45	84.10	4.05	0.30	4.35
1996	50.65	0.20	19.95	1.00	12.85	84.65	4.05	0.30	4.35
1995	50.65	0.20	19.95	1.00	10.85	82.65	4.05	0.30	4.35
1994	46.90	0.20	19.05	1.00	10.85	78.00	0.30	0.30	0.60

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

West Geauga Local School District

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capital

Last Ten Years

Table 6

<u>Year</u>	<u>Net General Obligation Bonded Debt<sup>(1)</sup></u>	<u>Assessed Value<sup>(2)</sup></u>	<u>Population<sup>(3)</sup></u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2003	\$ 14,240,902	\$ 584,703,220	16,841	2.43%	\$ 845.60
2002	15,511,014	535,035,950	16,841	2.90%	921.03
2001	16,686,029	531,852,170	16,841	3.14%	990.80
2000	17,873,065	525,262,710	16,841	3.40%	1,061.28
1999	19,315,369	453,913,120	17,612	4.26%	1,096.69
1998	20,020,200	448,090,490	17,438	4.47%	1,148.08
1997	21,204,462	446,896,640	17,273	4.74%	1,227.61
1996	21,798,702	411,690,980	17,012	5.29%	1,281.37
1995	22,242,910	405,638,738	16,693	5.48%	1,332.47
1994	1,025,962	396,803,960	16,628	0.26%	61.70

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Sources: (1) School District Records  
 (2) Geauga County Auditor  
 (3) U.S. Census Data

West Geauga Local School District

Computation of Legal Debt Margin

June 30, 2003

Table 7

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Assessed Valuation	\$ <u>584,703,220</u>
Debt Limit – 9% of Assessed Value	\$ 52,623,290
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	15,500,000
Energy Conservation Bonds	160,000
Less: Amount Available in Debt Service Fund	<u>(1,419,098)</u>
Total	14,240,902
Exemptions:	
Energy Conservation Bonds	<u>160,000</u>
Amount of Debt Subject to the Limit	<u>14,080,902</u>
Overall Debt Margin	\$ <u>38,542,388</u>
Debt Limit – .10% of Assessed Value <sup>(1)</sup>	\$ 584,703
Amount of Debt Applicable	<u>-</u>
Unvoted Debt Margin	\$ <u>584,703</u>
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit – .9% of Assessed Valuation	\$ 5,262,328
Energy Conservation Bonds	<u>160,000</u>
Additional Unvoted Debt Margin	\$ <u>5,102,328</u>

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**Source: Geauga County Auditor and School District Financial Records**

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

West Geauga Local School District

Computation of Direct and Overlapping General Obligation Bonded Debt

June 30, 2003

Table 8

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District<sup>(1)</sup></u>	<u>Amount Applicable to School District</u>
Direct:			
West Geauga Local School District	\$ <u>15,660,000</u>	100.00%	\$ <u>15,660,000</u>
Overlapping:			
Geauga County	<u>4,723,947</u>	22.30%	<u>1,053,440</u>
Total Overlapping	<u>4,723,947</u>		<u>1,053,440</u>
Total	\$ <u><u>20,383,947</u></u>		\$ <u><u>16,713,440</u></u>

Source: Geauga County Auditor.

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

West Geauga Local School District

Ratio of Annual Debt Service Expenditures For General Obligation Bonded Debt to General Fund Expenditures

Last Ten Fiscal Years

Table 9

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures(1)</u>	<u>General Fund Expenditures (Percentage)</u>
2003	\$ 1,100,000	\$ 962,491	\$ 2,062,491	\$ 19,415,250	10.62%
2002 <sup>(2)</sup>	540,000	1,007,329	1,547,329	18,404,284	8.41%
2001 <sup>(2)</sup>	1,305,000	1,162,207	2,467,207	18,080,199	13.65%
2000 <sup>(2)</sup>	1,065,000	1,122,504	2,187,504	15,921,072	13.74%
1999 <sup>(2)</sup>	935,000	1,192,343	2,127,343	15,063,888	14.12%
1998 <sup>(2)</sup>	815,000	1,216,442	2,031,442	14,928,331	13.61%
1997	630,000	1,251,168	1,881,168	14,675,751	12.82%
1996	260,000	1,272,614	1,532,614	13,770,250	11.13%
1995	75,000	84,828	159,828	13,046,411	1.23%
1994	75,000	90,547	165,547	12,853,260	1.29%

Source: School District Financial Records

- (1) Includes other financing uses
- (2) 1998 through 2003 on GAAP basis



# West Geauga Local School District

## Demographic Statistics

June 30, 2003

Table 10

<u>Year</u>	<u>Geauga County Population<sup>1</sup></u>	<u>West Geauga LSD Area Population<sup>2</sup></u>	<u>School Enrollment<sup>3</sup></u>	<u>Geauga County Unemployment Rate<sup>4</sup></u>
2003	92,980	16,841	2,650	3.70%
2002	92,180	16,841	2,552	3.60%
2001	90,895	16,841	2,523	2.70%
2000	89,598	16,841	2,423	2.80%
1999	87,913	17,612	2,377	3.00%
1998	86,054	17,438	2,422	3.50%
1997	86,054	17,273	2,456	3.60%
1996	84,260	17,012	2,344	3.80%
1995	83,400	16,693	2,278	3.80%
1994	83,241	16,628	2,262	5.10%

Sources:

<sup>1</sup> Estimated Figure from U.S. Census Bureau

<sup>2</sup> U.S. Census of Population (Estimated) from Geauga County Auditor from 199 - 1999.  
2001-2003 obtained from 2001 U.S. Census data.

<sup>3</sup> School District Records

<sup>4</sup> Ohio Bureau of Employment Services, as of October 2003

West Geauga Local School District

Property Value, Financial Institution Deposits and Building Permits

Last Nine Calendar Years

Table 11

<u>Year</u>	<u>Property Value (Real (<sup>1</sup>) (Estate Only)</u>	<u>Financial Institution Deposits Banks</u>	<u>Geauga County Permits Issued</u>	<u>Chester Township Permits Issued</u>	<u>Russell Township Permits Issued</u>	<u>Munson Township Permits Issued</u>
2002	\$ 558,995,410	\$ 26,2437,000	\$ 175,906,232	\$ 7,805,893	\$ 8,332,156	\$ 13,645,498
2001	507,603,620	253,635,000	212,264,882	8,437,078	10,744,519	11,264,100
2000	494,080,470	222,518,000	199,824,566	5,685,804	25,307,900	14,800,417
1999	420,639,630	249,478,000	65,015,002	9,256,802	11,340,731	5,079,955
1998	415,476,820	254,641,000	47,503,140	9,179,227	11,053,412	3,387,691
1997	411,336,370	222,203,000	38,142,850	7,767,521	11,570,127	-
1996	374,795,820	212,614,000	41,162,110	9,743,742	15,544,927	580,000
1995	369,723,390	194,409,000	35,438,050	17,977,166	6,691,679	180,000
1994	361,355,520	188,020,000	28,009,880	8,460,261	11,380,801	-

Sources: Federal Reserve Bank of Cleveland.  
Gauga County Auditor, Building Department reports

<sup>(1)</sup> Represents assessed value

West Geauga Local School District

Principal Taxpayers: Real Estate Tax

As of December 31, 2002

Table 12

<u>Name of Taxpayer</u>	<u>Assessed Value<sup>1</sup></u>	<u>Percent of Total Assessed Value</u>
Petronzio Management	\$ 1,619,600	.29%
Consolidated Investment	1,509,470	.27%
West Geauga Plaza	1,383,450	.25%
Lucia S. Nash	1,263,440	.23%
Gary Waxman	892,780	.16%
Christopher H. Muzzin	875,000	.16%
Robert J. Vadas	831,260	.15%
Angelo Cianci	793,700	.14%
Larry Pitorak	811,070	.14%
Munson Realty Co.	<u>718,000</u>	<u>.13%</u>
Total	\$ <u>10,697,770</u>	<u>1.92%</u>

Source: Geauga County Auditor

<sup>1</sup> Assessed values are for the 2003 collection year

West Geauga Local School District

Principal Taxpayers: Tangible Personal Property Tax

As of December 31, 2002

Table 13

<u>Name of Taxpayer</u>	<u>Assessed Value<sup>1</sup></u>	<u>Percent of Total Assessed Value</u>
Truline Industries, Inc.	\$ 468,190	5.50%
Channel Products, Inc.	423,530	4.98%
Discount Drug Mart, Inc.	308,630	3.63%
Admar Distributing Company, Inc.	254,160	2.99%
Rite Aid of Ohio, Inc.	212,460	2.50%
General Bookbinding Company	182,760	2.15%
Revco Discount Drug Center, Inc.	169,360	1.99%
OCI Leasing, Inc.	162,050	1.91%
Riser Foods Company	153,910	1.81%
Bloom Brother Supply	141,520	1.67%
Total	\$ <u>2,476,570</u>	<u>29.13%</u>

Source: Geauga County Auditor

<sup>1</sup> Assessed values are for the 2003 collection year

West Geauga Local School District

Principal Taxpayers: Public Utilities Tax

As of December 31, 2002

Table 14

<u>Name of Taxpayer</u>	<u>Assessed Value<sup>1</sup></u>	<u>Percent of Total Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 10,063,350	58.52%
American Transmission	2,540,640	14.78%
SBC Communications	1,868,680	10.87%
Western Reserve Telephone Company	1,029,000	5.99%
Dominion East Ohio Gas Company	817,260	4.76%
Total	\$ <u>16,318,930</u>	<u>94.92%</u>

Source: Geauga County Auditor

<sup>1</sup> Assessed values are for the 2003 collection year

West Geauga Local School District

Per Pupil Cost

Last Ten Fiscal Years

Table 15

<u>Year</u>	<u>General Fund Expenditures<sup>1</sup></u>	<u>Average Daily Student Enrollment</u>	<u>Per Pupil Cost</u>
2003	\$ 19,415,250	2,650	\$ 7,326
2002 <sup>2</sup>	18,404,284	2,552	7,212
2001 <sup>2</sup>	18,080,199	2,523	7,166
2000 <sup>2</sup>	15,921,072	2,423	6,571
1999 <sup>2</sup>	15,063,888	2,377	6,337
1998 <sup>2</sup>	14,928,331	2,422	6,164
1997	14,675,751	2,456	5,975
1996	13,770,250	2,344	5,875
1995	13,046,411	2,278	5,727
1994	12,853,260	2,262	5,682

Source: School District Financial Records

<sup>1</sup> Includes Other Financing Uses

<sup>2</sup> 1998 through 2001 on GAAP basis

West Geauga Local School District

Teacher Education and Experience

June 30, 2003

Table 16

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	15	9%
150 Hours	21	12%
Bachelor + 18	27	16%
Master's Degree	47	28%
Master + 15	29	17%
Master + 30	22	13%
Master + 54	3	2%
PhD	1	1%
National Board Certified	<u>3</u>	<u>2%</u>
Total	<u>168</u>	<u>100%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 – 5	61	36%
6 – 10	48	29%
11 and Over	<u>59</u>	<u>35%</u>
Total	<u>168</u>	<u>100%</u>

Source: School District Personnel Records

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**West Geauga Local School District  
Gauga County, Ohio**

**Single Audit Reports**

**June 30, 2003**

# West Geauga Local School District

For The Year Ended June 30, 2003

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Creating economic value through  
knowledge, innovation, commitment, and service

**CIUNI & PANICHI**  
INC.

CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS CONSULTING FIRM

*a C&P Advisors Company*

Report On Compliance And On Internal Control Over  
Financial Reporting Based On An Audit Of Financial Statements  
Performed In Accordance with *Government Auditing Standards*

Board of Education  
West Geauga Local School District  
Chesterland, Ohio

We have audited the basic financial statements of the West Geauga Local School District as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003, wherein we noted the District adopted Government Accounting Standards Board Statement No. 34, Interpretation No. 6 and changed its accounting for capital assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the West Geauga Local School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings as Item 2003-1.

Board of Education  
West Geauga Local School District

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of the West Geauga Local School District's Board of Education, Audit Committee, management, Auditor of State's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Curtis P. Cannon, Esq.*

Cleveland, Ohio  
December 19, 2003

*Creating economic value through  
knowledge, innovation, commitment, and service*

**CIUNI & PANICHI**  
INC.

CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS CONSULTING FIRM

*a C&P Advisors Company*

Report On Compliance With Requirements Applicable To  
Each Major Program And Internal Control Over  
Compliance In Accordance With OMB Circular A-133

Board of Education  
West Geauga Local School District  
Chesterland, Ohio

Compliance

We have audited the compliance of the West Geauga Local School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The West Geauga Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the West Geauga Local School District's management. Our responsibility is to express an opinion on the West Geauga Local School District's compliance based on our audit.

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

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

Board of Education  
West Geauga Local School District

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

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

This report is intended solely for the information and use of the West Geauga Local School District's Board of Education, Audit Committee, management, Auditor of State's Office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ccini & Associates, Inc.*

Cleveland, Ohio  
December 19, 2003

# West Geauga Local School District

## Schedule of Expenditures of Federal Awards

For The Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Number	Receipts	Non-cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture:						
Passed-Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution	10.550	N/A	\$ -	\$ 13,523	\$ -	\$ 13,523
School Lunch Program	10.555	LL-P4-02	3,565	-	3,565	-
	10.555	LL-P4-03	20,581	-	20,581	-
Subtotal National School Lunch Program			24,146	-	24,146	-
Total U.S. Department of Agriculture – Nutrition Cluster			24,146	13,523	24,146	13,523
U.S. Department of Education:						
Passed-Through Ohio Department of Education:						
Grants to Local Educational Agencies						
Title I	84.010	C1-S1-02	1,835	-	3,093	-
Title I	84.010	C1-S1-03	59,332	-	56,704	-
Total Title I			61,167	-	59,797	-
Title VI-B	84.027	6B-SF-02P	1,440	-	28,718	-
IDEA Part B	84.027	6B-SF-03P	257,330	-	245,629	-
Total VI-B			258,770	-	274,347	-
Eisenhower Professional Development	84.164	MS-S1-2001	-	-	1,240	-
Eisenhower Professional Development	84.164	MS-S1-2002	-	-	8,834	-
Eisenhower Professional Development	84.164	MS-S1-2003	-	-	3,605	-
Total Eisenhower Professional Development			-	-	13,679	-
Drug-Free Schools Grant	84.186	DR-S1-2002	1,882	-	5,086	-
Drug-Free Schools Grant	84.186	DR-S1-2003	6,340	-	5,845	-
Total Drug-Free Schools Grant			8,222	-	10,931	-
Innovative Education Program Strategy	84.298	C2-S1-2000	-	-	4,343	-
Innovative Education Program Strategy	84.298	C2-S1-2001	-	-	3,311	-
Innovative Education Program Strategy	84.298	C2-S1-2002	-	-	13,745	-
Innovative Education Program Strategy	84.298	C2-S1-2003	11,928	-	1,646	-
Total Innovative Education Program Strategy			11,928	-	23,045	-
Title II-D	84.318	TJ-S1-2003	293	-	-	-
Class Size Reduction	84.340	CR-S1-2002	-	-	2,251	-
Title II-A	84.367	TR-S1-2003	43,270	-	40,848	-
Total U.S. Department of Education			383,650	-	424,898	-
Total Expenditures of Federal Awards			\$ 407,796	\$ 13,523	\$ 449,044	\$ 13,523

## West Geauga Local School District

Notes To The Schedule of Expenditures of Federal Awards

For The Year Ended June 30, 2003

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### **Note 1: Significant Accounting Policies**

#### **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

#### **Non-Cash Support**

The District receives non-cash support in the form of food subsidies from the National School Lunch Program (“NSLP”), CFDA 10.550. The value of the food subsidies is determined by using the fair market value of the food items as quoted by local food suppliers.

CFDA – Catalog of Federal Domestic Assistance



# West Geauga Local School District

Schedule of Findings  
OMB Circular A-133 Section .505

June 30, 2003

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## 1. SUMMARY OF AUDITOR'S RESULTS

(d)(I)(i)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	Title VI - B CFDA No. 84.027
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

2003-1	Per ORC Section 5705.41(C), no subdivision is to expend money except by a proper warrant drawn against an appropriate fund. During our testing of expenditures, Ciuni & Panichi, Inc. noted instances where the District expended monies out of the General Fund and made adjustments, at year-end, to correctly classify the expenditures out of the appropriate fund.
2003-2	Per ORC Section 5705.39, total appropriation from each fund should not exceed the total estimated revenue. The general fund had appropriations plus encumbrances exceed the estimated resources plus carryover balances in the amount of \$333,934.

West Geauga Local School District

Schedule of Findings (Continued)  
OMB Circular A-133 Section .505

June 30, 2003

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3. FINDINGS FOR FEDERAL AWARDS

There were no findings for federal awards to report in 2003.

West Geauga Local School District

Schedule of Prior Audit Findings  
OMB Circular A-133 Section .315(b)

June 30, 2003

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Finding No.	Finding Summary	Fully Corrected	Explanation
2002-1	Ohio Rev. Code Section 5705.41 (C)	No	Improvement was noted from the prior year, however, adjustments to correctly classify expenditures out of the appropriate fund were noted during fiscal year 2003 testing.

West Geauga Local School District  
8615 Cedar Road  
Chesterland, Ohio 44026  
( 440) 729 -6815

**Response To Findings Associated With Audit Conducted  
In Accordance With *Government Auditing Standards*  
For The Year Ended June 30, 2003**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2003-1	The District will endeavor to identify costs, prior to occurrence, so that they may be initially recorded in the appropriate fund.	January 1, 2004	Thomas F. Babb, Treasurer



**Auditor of State  
Betty Montgomery**

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P.O. Box 1140  
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800-282-0370

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**WEST GEAUGA LOCAL SCHOOL DISTRICT**

**GEAUGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 27, 2004**