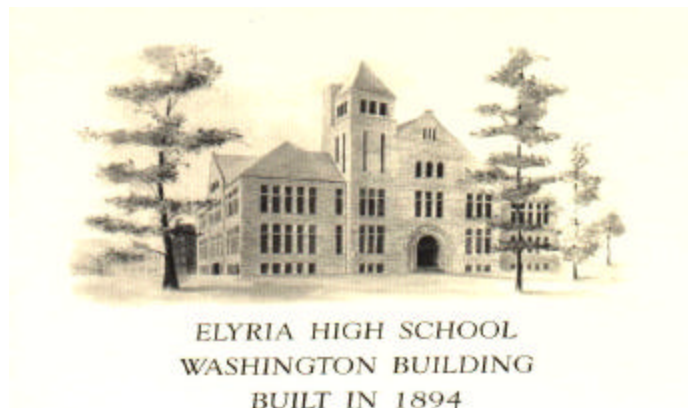


# ***THE ELYRIA SCHOOLS***

**Lorain County, Ohio**

# ***COMPREHENSIVE ANNUAL FINANCIAL REPORT***

**For the Fiscal Year Ended June 30, 2003**

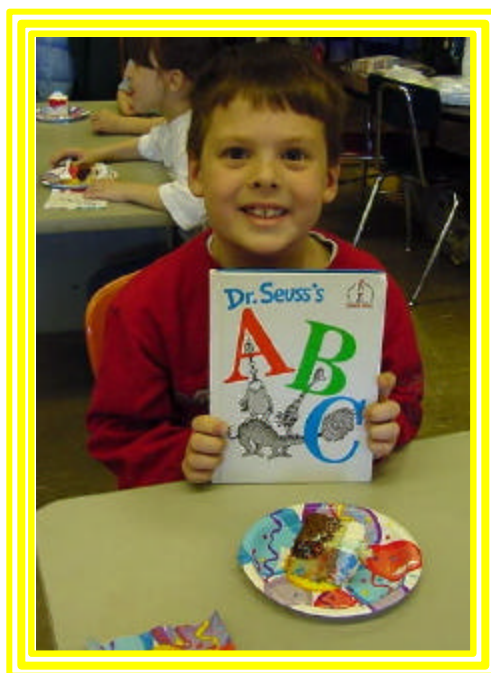


***The Elyria Schools  
Elyria, Ohio***

**Prepared by: Fred V. Stephens, Treasurer**



# The Elyria Schools



I  
N  
T  
R  
O  
D  
U  
C  
T  
O  
R  
Y  
  
S  
E  
C  
T  
I  
O  
N



**Elyria City School District**  
 Comprehensive Annual Financial Report  
 For the Year Ended June 30, 2003

*Table of Contents*

---

<b>I. Introductory Section</b>	<u>Page</u>
Table of Contents.....	i
Transmittal Letter.....	iv
Members of the Board of Education.....	xv
Management Team.....	xvi
Organization Chart.....	xviii
Certificate of Achievement.....	xxiv
<b>II. Financial Section</b>	
Report of Independent Accountants.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund.....	20
Statement of Fund Net Assets – Proprietary Funds.....	21
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds.....	22
Statement of Cash Flows – Proprietary Funds.....	23
Statement of Fiduciary Net Assets – Fiduciary Funds.....	24
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	25
Notes to the Basic Financial Statements.....	26
Combining Statements and Individual Fund Statement:	
Fund Descriptions.....	55
Combining Balance Sheet – Nonmajor Governmental Funds.....	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	59
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	66
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	73

**Elyria City School District**  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2003

*Table of Contents*

---

Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	74
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
Special Trust Fund.....	75
Uniform School Supplies Fund.....	76
Rotary Fund.....	77
Public School Support Fund.....	78
Local Grants Fund.....	79
Venture Capital Fund.....	80
Athletic and Music Fund.....	81
Auxiliary Services Fund.....	82
Teacher Development Fund.....	83
Educational Management Information Systems Fund.....	84
Public School Preschool Fund.....	85
Disadvantaged Pupil Impact Aid Fund.....	86
Data Communication Fund.....	87
SchoolNet Professional Development Fund.....	88
Ohio Reads Grants Fund.....	89
Summer School Fund.....	90
Family and Children First Fund.....	91
Alternative School Fund.....	92
Extended Learning Fund.....	93
Miscellaneous State Grants Fund.....	94
Adult Basic Education Fund.....	95
Eisenhower Math and Science Grant Fund.....	96
Title VI-B Fund.....	97
Title I Fund.....	98
Title VI Fund.....	99
Drug Free School Grant Fund.....	100
Preschool Handicapped Grant Fund.....	101
Continuous Improvement Fund.....	102
Class Size Reduction Fund.....	103
Miscellaneous Federal Grants Fund.....	104
Bond Retirement Fund.....	105
Permanent Improvement Fund.....	106
Capital Building Fund.....	107
SchoolNet Plus Fund.....	108
Food Service Fund.....	109
Self-Insurance Fund.....	110
Scholarship Trust Fund.....	111

**Elyria City School District**  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2003

*Table of Contents*

---

**III. Statistical Section**

General Governmental Revenues by Source and Expense/Expenditures	
By Function – Last Ten Fiscal Years.....	113
Property Tax Levies and Collections – Last Ten Years.....	115
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years.....	116
Property Tax Rate – Direct and Overlapping Governments – Last Ten Years.....	117
Ratio of Net Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years.....	118
Computation of Direct and Overlapping General Obligation Bonded Debt.....	119
Computation of Legal Debt Margin.....	120
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to General Fund Expenditures – Last Ten Fiscal Years.....	121
Demographic Statistics – Last Ten Years.....	122
Financial Institution Deposits, Property Value and Building Permits – Last Ten Years.....	123
Principal Taxpayers:	
Real Estate Tax.....	124
Tangible Personal Property Tax.....	125
Miscellaneous Statistic.....	126
Teacher Education and Experience.....	127

**This page intentionally left blank.**



January 30, 2004

**Dear Members of the Board of Education and Citizens of the Elyria City School Community:**

As the Superintendent and Treasurer of the Elyria City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2003 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) statement Number 34 using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the district. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report ("CAFR") is presented in three sections: introductory, financial and statistical.

- The introductory section includes the table of contents, letter of transmittal, board of education members and elected officials, a list of its appointed officials, the District's organizational chart, and the GFOA certificate of achievement.
- The financial section which begins with the report of independent accountants and includes the management's discussion and analysis, the basic financial statements and Notes that provide an overview of the District's financial position and operating results, the combining statements by fund type, and other statements that provide detailed information relative to the basic financial statements.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels, and a broad range of co-curricular and extracurricular activities, adult and community education offerings, and special education services. Elyria High School juniors and seniors attend the Lorain County Joint Vocational School for vocational training classes and eligible High School students can and do attend Lorain County Community College located in the city of Elyria, under the post-secondary school enrollment option. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations and the vocational school operations do not meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

## **GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT**

### The Reporting Entity

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity". In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Elyria City School District (the primary government) and its potential component units.

Numerous entities operate within the District's geographical boundaries. These entities have been excluded from the accompanying financial statements because the District cannot legally access their resources, the District has no obligation to finance deficits or provide financial support to them and the District is not obligated for their debts.

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

### The Board of Education and the Administration

The Board of Education of the Elyria City School District (the "Board") is a political and corporate body charged with the responsibility of managing and controlling affairs of the District and, together with the District, is governed by the general laws of the State of Ohio as set forth in the Ohio Revised Code. The Board is comprised of five members who are elected for overlapping four-year terms.

The Superintendent of Schools (the "Superintendent"), appointed by the Board for a term not longer than five years, is the chief executive officer of the District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The current Superintendent, Dr. E. Jean Harper, has been Superintendent since March 1, 1998; her present employment contract expires July 31, 2005.

The Treasurer is the Chief Financial Officer of the Board and the District and is, pursuant to statutory requirements, appointed by the Board for a four-year term (following a probationary two-year term) and reports directly to the Board. The present Treasurer, Stephen R. Huzicko, has been Treasurer since January 1, 1991, his present four-year contract continued until December 31, 2004, but retired as of January 7, 2004. Fred V. Stephens was hired as the new Treasurer.

### The District and Its Facilities

The Elyria City School District is located in the City of Elyria in Lorain County, Ohio. In fiscal year 2002-2003, there were 8,348 students enrolled in the District. The District currently operates eleven (11) elementary schools, three (3) junior high schools, one high school, one alternative learning center, one special education pre-school and one K-12 severely behavioral handicapped school. The District maintains one administrative facility that houses an all-day every day kindergarten village of 314 students, all central functions for the District including all maintenance functions and a central kitchen for its food service program. The District serves as the primary education provider for high incidence special education programs, which provide special curricula and skills programs for students from all of Lorain County and surrounding school districts.

### Employee Relations and Benefits

For FY03, the District employed 1,100 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2003, the District paid from its general fund (Disadvantaged Pupil Impact Aid (DPIA) included \$37,144,466 in salaries and \$10,865,878 in fringe benefits and other labor-related costs such as employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, life insurance and medical and dental insurance premiums.

For collective bargaining purposes, the NEA/OEA/Elyria Education Association (EEA) represents the District's teachers and educational specialists. The OEA/NEA Elyria Schools Support Staff (ESSS) represents the District's classified employees.

A collective bargaining agreement with the Elyria Education Association (EEA) expires July 31, 2004. The collective bargaining agreement with the Elyria School Support Staff (ESSS) expires December 31, 2004.

The District provides medical health insurance coverage to its employees through Medical Mutual Insurance Company. A three tier 5/15/30, Prescription drug program is provided to eligible employees through Advance PCS. The District provides life insurance and accidental death and dismemberment insurance to eligible employees through Medical Life. Dental insurance is provided to eligible employees through Delta Dental of Ohio and vision insurance is provided through VSP. All District employees participate in either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS). The District made required contributions for pension obligations to these Systems on behalf of its employees in the amount of \$6,193,476 during the 2003 fiscal year.

## **ECONOMIC CONDITION AND OUTLOOK**

### **Taxes**

Property taxes are a major source of revenue for the District. For property taxation purposes, assessment of real property is performed on a calendar year basis by the elected County Auditor subject to supervision by the State Tax Commissioner, and assessment of public utility property and tangible personal property is performed by the State Tax Commissioner. Property taxes are billed by the County Auditor and collected by the County Treasurer.

Taxes collected from “Real Property” (other than Public Utilities) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected from “Tangible Personal Property” (other than Public Utilities) in one calendar year are levied in the prior calendar year on assessed values listed as of December 31 of the prior year. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year.

The “assessed valuation” of real property is fixed at 35 percent of true value and is determined pursuant to rules of the State Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35 percent of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50 percent of the local tax rate upon its true value.

Generally, tangible personal property used in business (except for public utility) is currently assessed for taxation purposes at 24 percent of its true value (in general, the same as net book value). Certain public utility tangible personal property (except railroad operating property) currently is assessed at 88 percent of its true value. The first \$10,000 of taxable value of tangible personal property is exempted from taxation; partial reimbursement of reduced collections resulting from the partial exemption is paid from state sources.

The General Assembly has periodically exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation implementing a 1980 constitutional amendment classified real property between (i) residential and agricultural and (ii) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These credits apply to certain voted levies on real property and do not apply to unvoted tax levies to pay debt service on general obligation debt.

### **School Foundation**

The State’s School Foundation Program is another major source of revenue for the District’s General Fund. The State assists public school districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments are made through the School Foundation Program established by the Ohio Revised Code (the “Code”). School Foundation Program funds distributed to a school district is required to be used for current operating expenses, unless specifically allocated by the State for some other purposes.

Basic eligibility for School Foundation Program payments is based on a school district's compliance with State-mandated minimum standards. The District is in compliance with those standards and has no reason to believe it will not remain in compliance.

During the fiscal year ended June 30, 2003, the School District received \$24,964,965 of school foundation support for its general fund.

### Local Economy

The Elyria area has a high percentage of its total work force employed in durable goods manufacturing, including automotive assembly, assembly of parts used in the transportation industry, tool and die-casting and metal fabricating. Manufacturing accounted for some 40-45% of the Elyria area's total work force employment during 2003. The rate of unemployment, at the end of the fiscal year 2003, for the Elyria City area was 6.4%.

The strength of the Elyria area economy is derived from its diversity in small manufacturing companies. Over 150 manufacturing concerns dominate the local economy and provide employment opportunities.

The District contains the "Westfield Shopping Town Midway" the largest retailing center in Lorain County and the largest retail mall between Cleveland and Toledo. The mall, anchored by four major department stores and two major discount stores, continues to see major expansion of its retailing space. Construction completed last year added six new retailing centers, Sofa Express, The Home Depot, Dick's Sporting Goods, a major food chain store (Giant Eagle) a large retail department store (Target) and Circuit City, a major alliance home entertainment store. With the addition of these centers, the surrounding Westfield Mall area is developing specialty shops and the food service industry continues to expand with new offerings.

### MAJOR INITIATIVES

For the Year. The District's staff, following directives of the Board of Education and the Superintendent, has been involved in a variety of projects throughout the year. These projects reflect the District's commitment to ensuring the community that its children are properly educated and able to live and work in a competitive global society.

- Continuous Improvement Plan. At its September 2001 board meeting, the Elyria Board of Education reviewed and adopted its Continuous Improvement Plan, first adopted in September 1998, which included the following **Vision** statement:

*"To be an exceptional District..."*

- *Where all children will exceed state proficiency standards*
- *Led by highly motivated, well trained educators and staff*
- *Actively supported and financed by the Elyria community"*

The **Vision statement** reflects the District **Mission Statement**, which is:

***"To ensure that each child reaches his or her full potential."***

This financial report is a contribution to the satisfaction of Goal 1 of the Strategic Plan, which is to "COMMUNICATE A CLEAR AND FOCUSED MISSION".

- Curriculum Initiatives. The District made a substantial financial commitment to update its Science curriculum course of study (K-12). The Social Studies curriculum was updated in the fall of 2000. The Business curriculum at the High school received major purchases of technology and software. A major initiative started last year and continuing through 2003 was to develop a software program called an *Indicator Reporting Information System (IRIS)* that allows teachers to check the progress of each student longitudinally across time, using indicators that are aligned with new state reporting standards.
- Classroom Technology. The District has a standard for use of technology and uses fiber optics and a Wide Area Network (WAN) to all of its buildings to accommodate the use of administrative and instructional technology. The District's ratio of students to computers is 3:1. The District's high school and middle schools are PC based while all elementary schools use Mac technology. Acquisitions of computers are made annually to supplement existing computers to provide students with the latest hardware and software technology and to replace outdated equipment.
- The District was one of 58 school districts throughout the United States to receive a three-year federal grant to fund an elementary guidance counseling program and was one of eight to receive the maximum allocation of \$400,000 a year for three years.
- Provide email Internet access to all District employees.
- Facility Study. The District continued to work with an architectural firm that conduct a comprehensive facilities study of all its buildings in order to ascertain the extent of its infrastructure problems and provide the District with a basis for its five year facility maintenance plan. As a result of the study, the District plans to replace its aging high school facility with a new state-of- the art community based facility.
- The District now out-sources the management of its food service and contracts for the transportation of its students.

**For the Future.** The District will continue to implement its Continuous Improvement Plan in the following areas:

- The District continues to develop its technology system to allow all teachers and students access to the Internet. Teachers and Administrators will have immediate access to District information on students, budget and staff. The District is implementing a new student accounting and test reporting system and an electric grade card reporting system. A new Human Resource system is contemplated to be operational by the year 2005.
- The District will implement its master plan for facilities. With the completion of the facilities study, the District's Facility Maintenance Plan will be able to identify major tasks to be accomplished over the next five years. A major initiative for 2003 was to secure funding for a new 2,400 pupil; state of the art community based high school to replace the District's aging facility. A City income tax issue was on the ballot for November of 2003.

Department Focus. The Finance Office will continue to implement its part of the District's Strategic Plan in the following areas:

- Allow all operational units in the District to access operational unit budgets, generate their own financial reports, review vendor payment information and access their account information through the District's web site.
- Use the District's web page as a community resource for Board of Education and Financial Services information on the District.

## **FINANCIAL INFORMATION**

Pursuant to accounting procedures prescribed by the Ohio Revised Code (ORC), revenues and expenditures are recorded on a budgetary basis during the fiscal year. The accounting procedures prescribed by the ORC are generally applicable to all school districts in Ohio and differ from GAAP as promulgated by the Governmental Accounting Standards Board.

Annual financial reports on a budgetary basis are prepared by the Treasurer and filed with the State Department of Education as required by state statute. The State Auditor of Ohio requires that the District prepare and publish an annual financial report using accounting principles generally accepted in the United States of America.

### Fiscal Management

The Treasurer, as chief financial officer of the Board of Education and the District, is responsible for receiving, maintaining custody of and disbursing and properly reporting all funds of the Board.

### Budgeting, Tax Levy and Appropriations Procedures

The Ohio Revised Code contains detailed provisions regarding District budgeting, tax levy and appropriation procedures. The procedures involve review by Lorain County (The "County") officials at several stages.

District budgeting for a fiscal year formally begins with the preparation of a tax budget. After a public hearing, this budget is adopted by the Board prior to the fiscal year to which it pertains. Among other items, the tax budget must show the amounts required for debt service, the estimated receipts received from sources other than property taxes and the net amount for which a property tax levy must be made. The tax budget then is presented for review by the County Budget Commission, comprised of the County Auditor, County Treasurer and County Prosecuting Attorney.

The Budget Commission reviews the tax budget. The Code provides that "if any debt charge is omitted from the budget, the commission shall include it therein". Upon approval of the tax budget, the County Budget Commission certifies to the Board its action together with the approved tax rates. Thereafter, the Board levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar basis, generally in two installments with the first usually in January and the second in July.

If a permanent appropriation measure is not ready for adoption at the beginning of each fiscal year, the Board adopts a temporary appropriation measure to begin that new fiscal year and then, within three months, adopts a permanent appropriation measure for that fiscal year. Permanent appropriation measures may be, and generally are, amended or supplemented during the fiscal year. Annual appropriations may not exceed the County Budget Commission's official estimates of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not appropriate monies in excess of the amounts set forth in the latest of those official estimates.

### Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated. Estimated revenues and appropriations are amended at year-end based on actual revenue, expenditure and encumbrance activity.

### Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely derived from its implementation; and, (2) the valuation of cost and benefits requires estimates and judgments by management.

## **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 which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

*Fund financial statements* These statements present information for individual major funds rather than fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliations 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 the law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of the new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows this letter of transmittal, 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* The only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses is related to the provision of dental and medical benefits to the School District employees. The School District has implemented a medical self-insurance program. The internal service fund had net assets of \$2,391,190 at June 30, 2003 compared with net assets of \$3,418,645 at June 30, 2002, reflecting a net decrease of \$1,027,455.

*Financial Highlights – Fiduciary Funds* The trust fund carried on the financial records of the School District is a private purpose trust that has net assets totaling \$235,933 at June 30, 2003.

#### Cash Management

The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) Investment Pool, United States Government bills and notes, certificates of deposit, mutual funds, and in repurchase agreements. The amount of investment income in fiscal year 2003 for all District funds was \$507,524. A more detailed description of the District's investment functions is described in Note 4 to the financial statements.

#### Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2003, the District contracted with Nationwide/Wausau Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate. Buildings and contents are covered under a Commercial Property Comprehensive Building Insurance policy with a \$1,000 deductible.

The District's vehicles are covered under a business auto policy with Nationwide/Wausau Insurance Company for primary coverage. This policy carries a \$250 deductible and a \$2,000,000 limit for bodily injury and property damage and a \$1,000,000 limit for uninsured motorist.

The District participated in a retrospective rating plan for workers' compensation for calendar years 1992 through 1996. This plan allowed the District to pay a fraction of the premium it would otherwise pay as an experience related risk. To achieve the reduction in premium, the District agreed to assume a portion of the risk. In 1996, the District joined the Ohio School Boards Association (OSBA) Workers' Compensation Trust that further reduced the premium costs to the district.

## **USE OF REPORT**

This report is published to provide the Board of Education, the citizens of the Elyria School District and other interested persons, detailed information concerning the financial condition of the District, with the particular emphasis placed on the utilization of resources during fiscal year 2003. Further, this report will serve as a guide to formulating policies and conducting the District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

In today's public awareness environment it is increasingly important that the public agencies prepare soundly conceived annual financial reports independently audited by a qualified firm or agency. It has become essential that such reports be prepared in accordance with generally accepted accounting principals (GAAP). Bond rating agencies review the data presented before determining a public agency's Bond rating.

## **PENSION PLANS**

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 12 to the Basic Financial Statements for complete details.

## **OTHER INFORMATION**

**Independent Audit:** State statutes require an annual audit by independent accountants. Either the Ohio State Auditor's office or an Independent Public Accountant (IPA) contracted by the State and the District may conduct the annual audit. The District requested and received permission from the State Auditor to contract with an (IPA) for completion of the annual audit for a three-year period. For the fiscal year ended June 30, 2003, Charles E. Harris & Associates, Inc. completed the audit. The auditor's unqualified audit opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

### **Independent Audit**

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Charles E. Harris & Associates, Inc. was selected to render an opinion on the School District's financial statements for fiscal years 2001-2003. The opinion appears in 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 its financial report for the 1981 fiscal year.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Elyria Schools for its Comprehensive Annual Financial Report for the year ended June 30, 2002. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

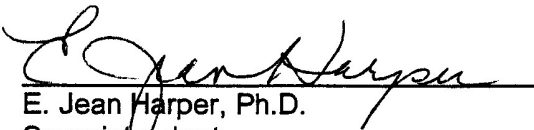
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.


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

## ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Steve Huzicko, former Treasurer/Chief Financial Officer and Fred Stephens, current Treasurer/Chief Financial Officer. We are also grateful for the services John Phillips, Vice President of Charles E. Harris and Associates, Inc., for his consulting assistance in preparing this report. We truly appreciate the contributions made by each staff member in the preparation of this report.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Assistant Treasurer, Cindy Aslaksen and the staff of the Treasurer's Office. We want to express our appreciation to all who assisted and contributed to its preparation. We would like to acknowledge all members of the Board of Education who have expressed their interest and support in planning and conducting the financial operations of the District in a fiscally responsible, professional and progressive manner.

  
E. Jean Harper, Ph.D.  
Superintendent

  
Fred Stephens  
Treasurer and Chief Financial Officer

**Elyria City School District, Ohio**

**Members of the Board of Education**

The Board of Education is a body politic and corporate with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by laws of the State of Ohio. The Board is comprised of five members who are elected for overlapping four-year terms. The current members of the Board of Education of the Elyria City School District are:

	<i>Began Service as a Board Member</i>	<i>Present Term Expires</i>
<i>Donald Boddy, President</i>	July 28, 1998	December 31, 2003
<i>Evelyn France, Vice-President</i>	April 23, 1996	December 31, 2005
<i>Holly Brinda, Member</i>	January 1, 2000	December 31, 2003
<i>Gary Bennett, Member</i>	January 1, 1986	December 31, 2003
<i>Virginia Hawes, Member</i>	January 1, 2002	December 31, 2005

**Superintendent of Schools**

The Superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisory to the Board on all aspects of the educational program and total operation of the District. The Board appointed Dr. E. Jean Harper, Superintendent of the Elyria City School District effective March 1, 1998. Her employment contract expires on July 31, 2005.

**Treasurer/Chief Financial Officer**

The Treasurer/Chief financial Officer serves as the fiscal officer of the District and, with the board president, executes all conveyances made by the Board of Education. The Treasurer/Chief Financial Officer, Stephen R. Huzicko, has held the position since January 1, 1991. He retired on January 7, 2004, and was replaced by Fred V. Stephens.

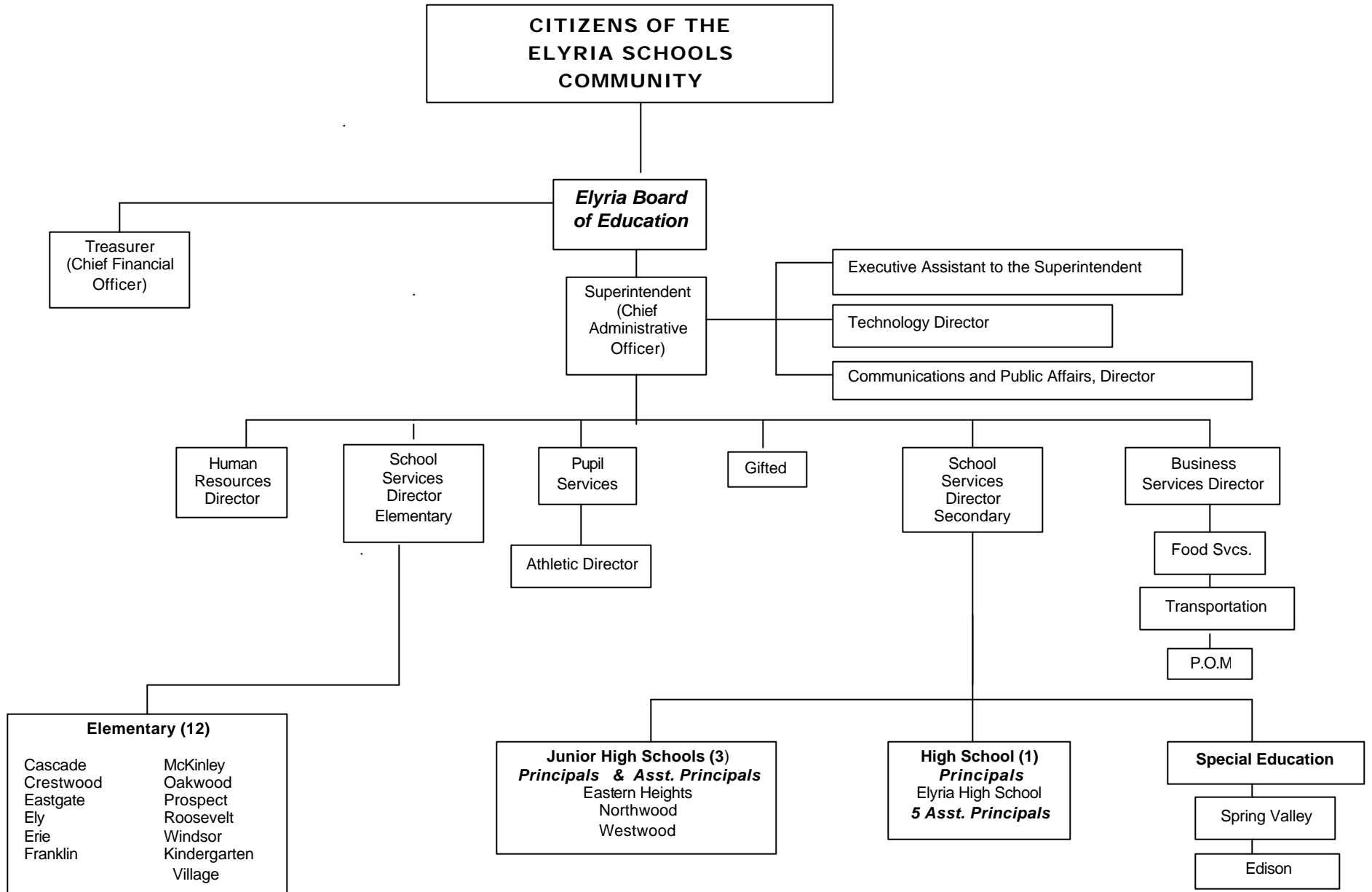
**ELYRIA CITY SCHOOL DISTRICT, OHIO**

***Management Team***

Dr. E. Jean Harper	Superintendent of Schools/CEO
Stephen R. Huzicko	Treasurer, Chief Financial Officer
Gordon Dupree	Associate Supt., Pupil Services
Gary Taylor	Director of Human Resources
Betty Halliburton	Director of Communications and Public Affairs
Paul Rigda	Director of Academic Services, Secondary
Michele Stoffan	Director of Academic Services, Elementary
Joanne Burgess	G.A.T.E. Coordinator, Gifted Program
Brian Allsop	Director of Technology
Dr. Mark Sutter	Executive Assistant to the Superintendent
Dawn McCready	Director of Special Education
Cynthia Aslaksen	Assistant Treasurer
Richard Nielson	Director of Business Services
Mark McGuire	Athletic Director
Willard Jett	Director of Food Services, Sodexo
Cheri Lengyel	Supervisor for Transportation, First Student
Michael Gillam	Elyria High School Principal
Thomas Solet	Eastern Heights Junior High School Principal
Thomas Jama	Northwood Junior High School Principal
Gregory Horace	Westwood Junior High School Principal
Aretha Dixon	Cascade Elementary Principal
Linda Arter	Crestwood Elementary Principal
Charles Sanfilippo	Eastgate Elementary Principal
Brenda Harris	Ely Elementary Principal

Ann Lars	Erie Elementary Principal
Chip Hall	McKinley Elementary Principal
Elsa Manco	Franklin Elementary Principal
Joyce Bouman	Oakwood Elementary Principal
Michael Amann	Prospect Elementary Principal
Elaine Carlin	Roosevelt Elementary Principal
Michael Routa	Windsor Elementary Principal
Robyn Fisher	Spring Valley (Early Childhood Center)
Rita Tomsic	Kindergarten Village Principal
Allen Senkovich	Hilltop Academy (Alternative School)

# ORGANIZATIONAL CHART FOR THE ELYRIA CITY SCHOOL DISTRICT



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Elyria City Schools,  
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.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enos".

Executive Director



# The Elyria Schools



F I N A N C I A L  
S E C T I O N



**Charles E. Harris & Associates, Inc.**  
*Certified Public Accountants*

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

**REPORT OF INDEPENDENT ACCOUNTANTS**

**Board of Education  
Elyria City School District  
Elyria, Ohio**

We have audited the accompanying basic financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Elyria City 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 basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, thereof and the respective budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during the year ended June 30, 2003, the District implemented Governmental Accounting and Standards Board (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 Schedules – Perspective Differences – an amendment of GASB Statement No. 34," and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 7, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

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



Charles E. Harris & Associates, Inc.  
January 7, 2004

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
*Unaudited*

---

The discussion and analysis of The Elyria School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

As illustrated by the statements and schedules included in the financial section of this report the District continues to meet its responsibility for sound financial management.

Key financial highlights for 2003 are as follows:

*Overall:*

- For governmental activities, net assets decreased \$0.39 million, which represents a 1.9 percent decrease from 2002. Net assets of business-type related activities increased \$72 thousand or 23.9 percent from 2002.
- General revenues accounted for \$69.3 million in revenue or approximately 91 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6.3 million or 8.3 percent of total governmental revenues of \$75.7 million.
- The School District had \$76 million in expenses related to governmental activities; only \$6.3 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$34.6 million were adequate to provide for these programs. Tax revenues are slightly higher than the norm for Ohio's twenty-one large Urban School Districts.
- Among major funds, the general fund had \$63.6 million in revenues and \$61.6 million in expenditures. The general fund's fund balance increased to \$1.2 million from \$7.8 million.

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
*Unaudited*

---

*Business-Type Activities:*

- Net assets for enterprise fund increased due to an increase of operating transfers and increases in operating expenses. The District transferred only \$147,605 to food service operations. Total enterprise expenditures were \$2.57 million only \$2.5 million of these expenses was offset by program specific charges for services, grants or contributions. Management increased pricing of food service items, but the increases were insufficient to meet expenses.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 and what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Elyria School District, the general fund is by far the most significant fund.

**Reporting the School District as a Whole**

*Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
*Unaudited*

---

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

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's food service program is reported as a business activity.

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

#### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 16. Fund financial reports provide detailed information about the School District's major fund. The School District uses many funds to account for a multitude of financial transactions. However, these financial statements focus on the School District's most significant funds. The School District's major governmental fund is the general fund.

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

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
*Unaudited*

**Proprietary Funds** Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the School District as a whole.

**The School District as a Whole**

***Governmental Activities***

Table 1 shows net assets for fiscal year 2003. Since this is the first year the School District has prepared financial statements following GASB Statement 34, net asset comparisons to prior fiscal years are not available.

**Table 1**  
**Governmental Activities – Net Assets**  
**(In Millions)**

	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Current and Other Assets	\$52.35	\$0.47	\$52.82
Capital Assets	6.40	0.22	6.62
<b>Total Assets</b>	<b>\$58.75</b>	<b>\$0.69</b>	<b>\$59.44</b>
<b><u>Liabilities</u></b>			
Current Liabilities	\$32.78	\$0.26	33.04
Long-Term Liabilities	6.28	0.06	6.34
<b>Total Liabilities</b>	<b>\$39.06</b>	<b>\$0.32</b>	<b>\$39.38</b>
<b><u>Net Assets</u></b>			
Invested in Capital	\$5.24	\$0.22	\$5.46
Restricted	5.05	0	5.05
Unrestricted (Deficit)	9.40	0.16	9.56
<b>Total Net Assets</b>	<b>\$19.69</b>	<b>\$0.38</b>	<b>\$20.06</b>

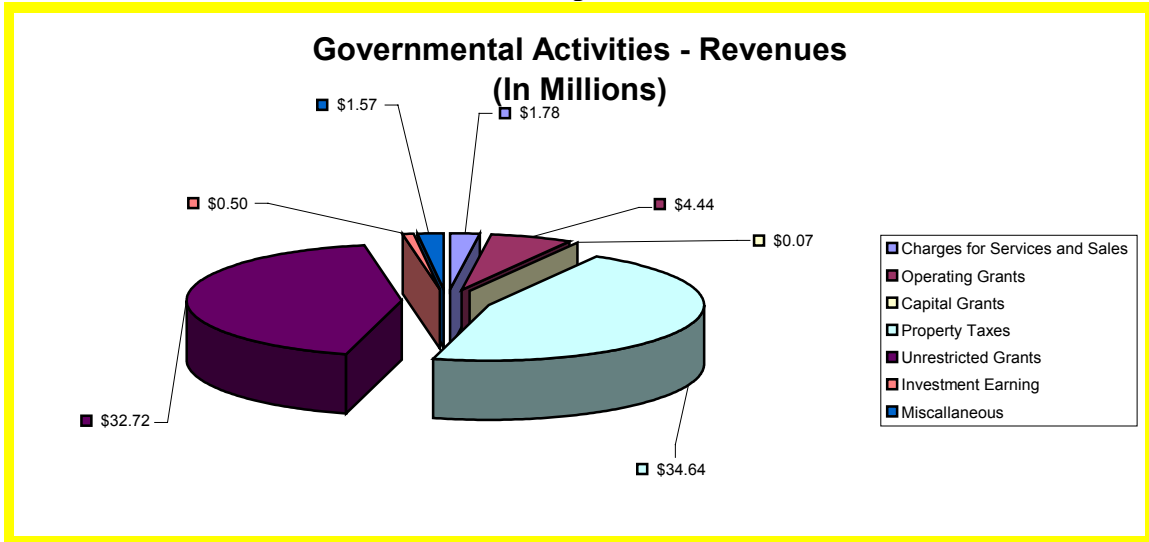


**Elyria City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2003**  
*Unaudited*

**What are the School District's Revenue Sources?**

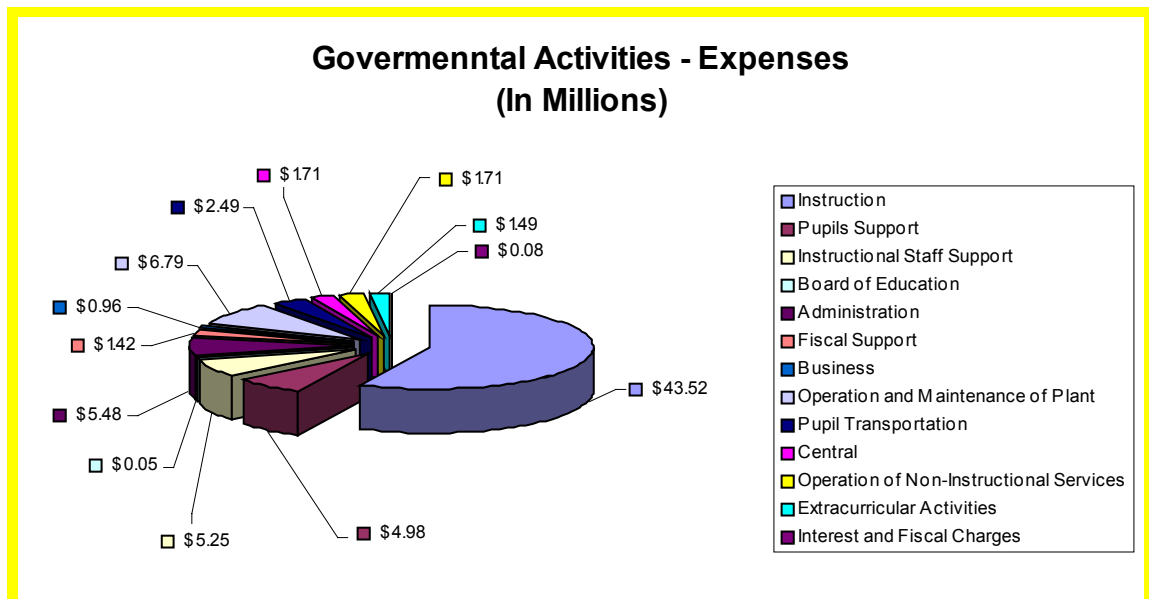
The following graph provides a summary of the School District's Governmental Activities revenue sources for 2003.

**Graph 1.**



Where does the School District spend its revenues?

**Graph 2.**



**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
*Unaudited*

---

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 45.7 percent of revenue for governmental activities for Elyria School District in fiscal year 2003.

The Statement of Activities shows the cost of program services and the charges for those services.

**Table 2**  
**Total and Cost of Program Services**  
**Governmental Activities**  
**(In Millions)**

	Total Cost of Service	Net Cost of Service
Instruction	\$43.52	\$39.79
Support Services		
Pupil and Instruction Staff	10.24	9.25
Board of Education, Administration	7.93	7.79
Operation and Maintenance of Plant and Business	6.79	6.79
Pupil Transportation	2.51	2.45
Central	1.71	1.62
Operation of Non-Instructional Services	1.71	0.63
Extracurricular Activities	1.50	1.29
Interest and Fiscal Charges	0.08	0.08
	\$75.99	\$69.69
Total Expenses		

**Elyria City School District**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2003  
*Unaudited*

---

The largest expenditures in the district's budget are in the instruction and instructional/pupil support services area. Approximately 71% of the budget is directly associated with the teaching of pupils and the support of the classroom. Salaries of teachers, counselors, psychologists, nurses and paraprofessionals, as well as the cost of textbooks and instructional materials are key to success of our students.

***Business-Type Activities***

Business-type activities include the food service department.

Overall Net (Expense) Revenue for business-type activities ended on a positive balance. Lunchroom/Cafeteria operations experienced a \$72,495 positive operating balance for fiscal year 2003. Our contracted management service company has performed well. Food operations have been in the black for a number of years. Table 3 provides a revenue and expense summary for the School District's business-type activities.

**Table 3**

**Revenue and Expense for Business Type Activities**

	Lunchroom/ Cafeteria
Revenues	\$2,650,232
Expenditures	2,577,737
Net	\$72,495

***The School District's Funds***

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$73.4 million and expenditures of \$73.2 million. The net change in fund balance was most significant in the General fund, where the fund balance increased \$1.2 million.

***General Fund Budgeting Highlights***

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

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
*Unaudited*

During the course of fiscal year 2003 the General Fund, budget revenue was inline with the original budget estimate. Total actual expenditures on the budget basis (cash outlays plus encumbrances) were also in line with projections.

***Capital Assets and Debt Administration***

At the end of fiscal year 2003, the School District had \$6.6 million (net of accumulated depreciation) invested in land, buildings, equipment and vehicles, \$6.4 million (net) in governmental activities.

Table 4 shows fiscal 2003 fixed asset balances for governmental type activities and business-type activities (net of depreciation) compared to the prior fiscal year.

**Table 4.**  
**Capital Assets June 30, 2003**  
**(Net of Accumulated Depreciation)**

	Governmental Type Activities		Business-Type Activities	
	2003	2002	2003	2002
Land and Improvements	\$1,096,932	\$1,135,342	\$0	\$0
Buildings	1,999,807	2,167,747	0	0
Furniture and Fixtures	3,138,072	3,580,647	215,686	246,364
Vehicles	26,307	18,750	0	0
Library and Textbooks	141,567	416,162	0	0
<b>Totals</b>	<b>\$6,402,685</b>	<b>\$7,318,648</b>	<b>215,686</b>	<b>246,364</b>

The decrease in capital assets is due to recognizing an \$18,506,806 prior period adjustment for a capital asset revaluation done in fiscal year 2003, which included an increase in the capitalization threshold to \$1,000. In addition, the School District recognized \$1,575,975 in depreciation expense for 2003, offset by \$660,012 in acquisitions. These acquisitions were distributed among furniture and equipment and vehicles. The District continued its ongoing commitment to maintaining and improving its fixed assets.

For fiscal year 1999, a change in Ohio law required school districts to set aside two percent of certain revenues for capital improvements and an additional two-percent for textbooks; this amount was increased to three percent beginning in fiscal year 2000. For detail of set-aside requirements, see Note 16.

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2003  
*Unaudited*

---

**Debt**

Currently, the District has \$1,050,000 of Library Construction Bonds at June 30, 2003. The debt matures in fiscal year 2006. For additional detail, see Note 10.

**Current Financial Related Activities**

The District's major sources of revenue are not keeping pace with expenditure increases due to the legislated tax relief of House Bill 920. The District also needs to renew a five year 4.9 mill operating levy in 2004 and a five year 4.75 mill emergency levy in 2005. To continue the District must seek additional tax revenues for operations and facilities in the near future.

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. Virtually, no additional state revenue will be available to Elyria School District. Thus, both taxes and state revenue are fixed or declining.

The scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Elyria City School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1999. This report represents the first report using the new reporting model.

In addition, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Fred Stephens, Treasurer at Elyria School District, 42101 Griswold Road, Elyria, Ohio 44035.

**This page intentionally left blank.**

**Elyria City School District**  
*Statement of Net Assets*  
*June 30, 2003*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 20,670,106	\$ 223,307	\$ 20,893,413
Receivables:			
Taxes	29,755,907	-	29,755,907
Accounts	15,137	-	15,137
Intergovernmental	1,872,090	212,488	2,084,578
Internal Balances	14,292	(14,292)	-
Inventory Held for Resale	-	47,530	47,530
Materials and Supplies Inventory	21,986	6,958	28,944
Nondepreciable Capital Assets	513,251	-	513,251
Depreciable Capital Assets, Net	5,889,434	215,686	6,105,120
<i>Total Assets</i>	58,752,203	691,677	59,443,880
<b>Liabilities</b>			
Accounts Payable	924,401	32,910	957,311
Accrued Wages and Benefits	5,701,247	80,715	5,781,962
Compensated Absences Payable	79,760	-	79,760
Pension Obligation Payable	1,484,353	101,760	1,586,113
Intergovernmental Payable	360,637	5,811	366,448
Deferred Revenue	23,305,962	37,277	23,343,239
Accrued Interest Payable	2,847	-	2,847
Claims Payable	915,500	-	915,500
Long-Term Liabilities:			
Due Within One Year	707,614	2,990	710,604
Due Within More Than One Year	5,581,279	54,712	5,635,991
<i>Total Liabilities</i>	39,063,600	316,175	39,379,775
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	5,239,451	215,686	5,455,137
Restricted for:			
Capital Projects	2,669,729	-	2,669,729
Debt Service	769,297	-	769,297
Other Purposes	1,611,116	-	1,611,116
Unrestricted (Deficit)	9,399,010	159,816	9,558,826
<i>Total Net Assets</i>	\$ 19,688,603	\$ 375,502	\$ 20,064,105

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2003

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$ 30,821,532	\$ -	\$ -	\$ -
Special	9,309,759	1,576,791	2,085,097	-
Vocational	295,979	-	-	-
Adult	69,898	-	72,708	-
Other	3,023,391	-	-	-
Support Services:				
Pupils	4,988,514	-	61,501	-
Instructional Staff	5,253,519	-	922,320	-
Board of Education	53,309	-	-	-
Administration	5,489,448	-	140,874	-
Fiscal	1,423,861	-	-	-
Business	964,200	-	-	-
Operation and Maintenance of Plant	6,792,093	-	-	-
Pupil Transportation	2,495,848	-	49,979	-
Central	1,718,658	-	30,346	70,595
Operation of Non-Instructional Services	1,712,503	-	1,082,753	-
Extracurricular Activities	1,495,087	208,441	-	-
Interest and Fiscal Charges	81,549	-	-	-
<i>Total Governmental Activities</i>	<u>75,989,148</u>	<u>1,785,232</u>	<u>4,445,578</u>	<u>70,595</u>
<b>Business-Type Activities</b>				
Food Service	<u>2,577,737</u>	<u>840,491</u>	<u>1,661,653</u>	<u>-</u>
<i>Total Business-Type Activities</i>	<u>2,577,737</u>	<u>840,491</u>	<u>1,661,653</u>	<u>-</u>
<b>Totals</b>	<u>\$ 78,566,885</u>	<u>\$ 2,625,723</u>	<u>\$ 6,107,231</u>	<u>\$ 70,595</u>

**General Revenues**

Property Taxes Levied for:  
  General Purposes  
  Debt Service  
Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Miscellaneous  
Transfers

*Total General Revenues*

Changes in Net Assets

*Net Assets Beginning of Year - As Restated (See Note 20)*

*Net Assets End of Year*

See accompany notes to the basic financial statements



Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (30,821,532)	\$ -	\$ (30,821,532)
(5,647,871)	-	(5,647,871)
(295,979)	-	(295,979)
2,810	-	2,810
(3,023,391)	-	(3,023,391)
(4,927,013)	-	(4,927,013)
(4,331,199)	-	(4,331,199)
(53,309)	-	(53,309)
(5,348,574)	-	(5,348,574)
(1,423,861)	-	(1,423,861)
(964,200)	-	(964,200)
(6,792,093)	-	(6,792,093)
(2,445,869)	-	(2,445,869)
(1,617,717)	-	(1,617,717)
(629,750)	-	(629,750)
(1,286,646)	-	(1,286,646)
(81,549)	-	(81,549)
<u>(69,687,743)</u>	<u>-</u>	<u>(69,687,743)</u>
-	(75,593)	(75,593)
-	(75,593)	(75,593)
<u>\$ (69,687,743)</u>	<u>\$ (75,593)</u>	<u>\$ (69,763,336)</u>
\$ 34,373,284	\$ -	\$ 34,373,284
267,286	-	267,286
32,727,126	-	32,727,126
506,654	483	507,137
1,572,814	-	1,572,814
(147,605)	147,605	-
<u>69,299,559</u>	<u>148,088</u>	<u>69,447,647</u>
(388,184)	72,495	(315,689)
<u>20,076,787</u>	<u>303,007</u>	<u>20,379,794</u>
<u>\$ 19,688,603</u>	<u>\$ 375,502</u>	<u>\$ 20,064,105</u>

**Elyria City School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2003*

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 11,996,914	\$ 5,347,872	\$ 17,344,786
Receivables:			
Taxes	29,597,692	158,215	29,755,907
Accounts	13,706	149	13,855
Intergovernmental	572,036	1,300,054	1,872,090
Materials and Supplies Inventory	17,957	4,029	21,986
<i>Total Assets</i>	42,198,305	6,810,319	49,008,624
<b>Liabilities</b>			
Accounts Payable	575,201	348,321	923,522
Accrued Wages and Benefits	5,124,536	568,487	5,693,023
Compensated Absences Payable	79,760	-	79,760
Pension Obligation Payable	931,973	94,655	1,026,628
Due to Other Funds	761,409	84,824	846,233
Intergovernmental Payable	319,453	40,760	360,213
Deferred Revenue	25,441,633	746,952	26,188,585
<i>Total Liabilities</i>	33,233,965	1,883,999	35,117,964
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	432,020	436,099	868,119
Debt Service	-	734,399	734,399
Property Taxes	4,156,059	25,335	4,181,394
Unreserved:			
Undesignated, Reported in:			
General Fund	4,376,261	-	4,376,261
Special Revenue Funds	-	1,124,304	1,124,304
Capital Projects Funds	-	2,606,183	2,606,183
<i>Total Fund Balances</i>	8,964,340	4,926,320	13,890,660
<i>Total Liabilities and Fund Balances</i>	\$ 42,198,305	\$ 6,810,319	\$ 49,008,624

See accompany notes to the basic financial statements

**Elyria City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2003*

<b>Total Governmental Fund Balances</b>		\$ 13,890,660
 <b><i>Amounts reported for governmental activities in the statement of net assets are different because</i></b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,402,685
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	3,129,076	
Intergovernmental	614,072	
Total		3,743,148
In the statement of activities, interest is accrued on outstanding bonds and capital lease, whereas in governmental funds, an interest expenditures is reported when due.		(2,847)
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		2,391,190
Long-term liabilities, including bonds, payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(1,050,000)	
Compensated Absences	(5,118,122)	
Pension Obligation	(454,877)	
Capital Lease	(113,234)	
Total		(6,736,233)
<b><i>Net Assets of Governmental Activities</i></b>		<b>\$ 19,688,603</b>
 See accompany notes to the basic financial statements		

**Elyria City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2003*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 32,048,957	\$ 263,731	\$ 32,312,688
Intergovernmental	28,996,219	8,612,902	37,609,121
Interest	432,301	4,234	436,535
Tuition and Fees	1,367,169	-	1,367,169
Extracurricular Activities	12,042	196,399	208,441
Classroom Materials and Fees	-	261,887	261,887
Miscellaneous	782,843	434,590	1,217,433
	<b>Total Revenues</b>	<b>9,773,743</b>	<b>73,413,274</b>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	27,175,879	2,001,940	29,177,819
Special	6,300,450	2,646,566	8,947,016
Vocational	276,238	-	276,238
Adult	-	69,347	69,347
Other	3,023,391	-	3,023,391
Support Services:			
Pupils	3,701,405	1,168,082	4,869,487
Instructional Staff	2,785,202	2,184,010	4,969,212
Board of Education	53,309	-	53,309
Administration	4,663,995	487,759	5,151,754
Fiscal	1,343,923	38,037	1,381,960
Business	944,392	-	944,392
Operation and Maintenance of Plant	6,309,941	84,940	6,394,881
Pupil Transportation	2,419,768	61,591	2,481,359
Central	1,231,574	268,703	1,500,277
Operation of Non-Instructional Services	435,475	1,288,558	1,724,033
Extracurricular Activities	898,406	467,644	1,366,050
Capital Outlay	3,255	388,018	391,273
Debt Service:			
Principal Retirement	56,438	310,000	366,438
Interest and Fiscal Charges	9,791	73,480	83,271
	<b>Total Expenditures</b>	<b>11,538,675</b>	<b>73,171,507</b>
<i>Excess of Revenue Over/(Under) Expenditures</i>	2,006,699	(1,764,932)	241,767
<b>Other Financing Sources (Uses)</b>			
Transfer In	-	727,713	727,713
Transfer Out	(833,481)	(41,837)	(875,318)
	<b>Total Other Financing Sources (Uses)</b>	<b>685,876</b>	<b>(147,605)</b>
<i>Net Change in Fund Balances</i>	1,173,218	(1,079,056)	94,162
<i>Fund Balances Beginning of Year, as Restated (See Note 20)</i>	7,791,122	6,005,376	13,796,498
<i>Fund Balances End of Year</i>	\$ 8,964,340	\$ 4,926,320	\$ 13,890,660

See accompany notes to the basic financial statements

**Elyria City School District**  
*Reconciliation of the Statement of Revenues, Expenditures  
and Changes in the Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2003*

**Net Change in Fund Balances - Total Governmental Funds** \$ 94,162

***Amounts reported for governmental activities in the  
statement of activities are different because***

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of these  
assets is allocated over their estimated useful lives as  
depreciation expense. This is the amount by which  
depreciation exceeded capital outlay in the current period.

Fixed Assets Additions	660,012	
Current Year Depreciation	(1,575,975)	
Total		(915,963)

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

Taxes	2,327,882	
Intergovernmental	(63,592)	
Total		2,264,290

Repayment of bond principal and capital lease is an expenditure  
in the governmental funds, but the repayment reduces long-term  
liabilities in the statement of net assets.

Library Construction Bonds	310,000	
Capital Lease	56,438	
Total		366,438

In the statement of activities, interest is accrued on outstanding  
bonds, whereas in governmental funds, an interest expenditure  
is reported when due.

1,722

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

Compensated Absences Payable	(1,264,132)	
Pension Obligation Payable	92,754	
Total		(1,171,378)

The internal service fund used by management to charge the cost  
of insurance to individual funds is not reported in the district-wide  
statement of activities. Governmental fund expenditures and  
the related internal service fund revenues are eliminated. The  
net revenue (expense) of the internal services fund is allocated  
amount the governmental activities.

(1,027,455)

*Change in Net Assets of Governmental Activities*

\$ (388,184)

See accompany notes to the basic financial statements

**Elyria City School District**  
Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Over/ (Under)
	Original	Final		
<i>Revenue:</i>				
Taxes	\$25,712,505	\$25,712,505	\$30,897,958	\$ 5,185,453
Intergovernmental	28,128,751	28,128,751	29,087,218	958,467
Interest	341,974	341,974	432,300	90,326
Tuition	800,382	800,382	1,011,788	211,406
Extracurricular Activities	10,336	10,336	12,042	1,706
Miscellaneous	693,839	693,839	873,675	179,836
<b>Total Revenues</b>	<b>55,687,787</b>	<b>55,687,787</b>	<b>62,314,981</b>	<b>6,627,194</b>
<i>Expenditures:</i>				
Instruction:				
Regular	27,222,209	27,667,746	27,306,645	361,101
Special	6,168,861	6,269,935	6,157,785	112,150
Vocational	294,853	299,679	271,357	28,322
Other	2,980,164	3,028,939	3,028,939	-
Support Services:				
Pupils	3,641,034	3,700,626	3,623,045	77,581
Instructional Support	2,705,986	2,750,568	2,735,298	15,270
Board of Education	64,715	65,774	60,293	5,481
Administration	4,440,724	4,516,322	4,489,279	27,043
Fiscal	1,551,448	1,576,840	1,289,199	287,641
Business	907,107	921,953	921,669	284
Operation and Maintenance of Plant	6,111,997	6,212,030	6,210,063	1,967
Pupil Transportation	2,391,707	2,430,851	2,371,841	59,010
Central	1,295,764	1,316,971	1,289,994	26,977
Operation of Non-Instructional Services	464,678	474,015	472,633	1,382
Extracurricular Activities	874,311	890,027	874,563	15,464
Capital Outlay	39,935	40,589	23,633	16,956
<b>Total Expenditures</b>	<b>61,155,493</b>	<b>62,162,865</b>	<b>61,126,236</b>	<b>1,036,629</b>
Excess of Revenues Over/ (Under) Expenditures	(5,467,706)	(6,475,078)	1,188,745	7,663,823
<i>Other Financing Sources/(Uses):</i>				
Proceeds from Sale of Fixed Assets	16,818	16,818	21,260	4,442
Refund of Prior Year Expenditures	-	-	(16,515)	(16,515)
Advance In	44,155	44,155	44,155	-
Advance Out	(44,155)	(44,155)	-	44,155
Transfer Out	(833,481)	(833,481)	(833,481)	-
<b>Total Other Financing Sources/(Uses)</b>	<b>(816,663)</b>	<b>(816,663)</b>	<b>(784,581)</b>	<b>32,082</b>
Net Change in Fund Balance	(6,284,369)	(7,291,741)	404,164	7,695,905
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	10,261,138	10,261,138	10,261,138	-
Prior year encumbrances appropriated	772,683	772,683	772,683	-
<b>Fund Balance/(Deficit) at the End of Year</b>	<b>\$ 4,749,452</b>	<b>\$ 3,742,080</b>	<b>\$11,437,985</b>	<b>\$ 7,695,905</b>

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Statement of Fund Assets*  
*Proprietary Funds*  
*June 30, 2003*

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Lunchroom/ Cafeteria	
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 223,307	\$ 3,325,320
Receivables:		
Accounts	-	1,282
Intergovernmental	212,488	-
Due from Other Funds	-	860,525
Inventory Held For Resale	47,530	-
Materials and Supplies Inventory	6,958	-
<i>Total Current Assets</i>	490,283	4,187,127
Capital Assets, Net of Accumulated Depreciation	215,686	-
<i>Total Assets</i>	705,969	4,187,127
<b>Liabilities</b>		
Accounts Payable	32,910	879
Accrued Wages	80,715	8,224
Due to Other Funds	14,292	-
Intergovernmental Payable	5,811	424
Deferred Revenue	37,277	860,525
Pension Obligation Payable	101,760	2,848
Claims Payable	-	915,500
<i>Total Current Liabilities</i>	272,765	1,788,400
Long-Term Liabilities:		
Compensated Absences Payable	57,702	7,537
<i>Total Liabilities</i>	330,467	1,795,937
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	215,686	-
Unrestricted	159,816	2,391,190
<i>Total Net Assets (Deficit)</i>	\$ 375,502	\$ 2,391,190

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Statement of Revenues, Expenses, and Changes in Fund Net Assets*  
*Proprietary Funds*  
*For the Year Ended June 30, 2003*

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Lunchroom/ Cafeteria	
Operating Revenues:		
Charges for Services	\$ -	\$ 5,633,267
Food Services	840,491	-
<i>Total Operating Revenues</i>	<u>840,491</u>	<u>5,633,267</u>
Operating Expenses:		
Salaries	822,017	50,774
Fringe Benefits	315,721	244,829
Purchased Services	260,034	406,231
Materials and Supplies	114,401	-
Cost of Sales	1,034,904	-
Depreciation	30,660	-
Claims	-	6,029,007
<i>Total Operating Expenses</i>	<u>2,577,737</u>	<u>6,730,841</u>
<i>Operating Income (Loss)</i>	<u>(1,737,246)</u>	<u>(1,097,574)</u>
Non-Operating Revenues (Expenses):		
Federal Donated Commodities	159,043	-
Intergovernmental	1,502,610	-
Interest	483	70,119
Transfers In	147,605	-
<i>Total Non-Operating Revenues</i>	<u>1,809,741</u>	<u>70,119</u>
<i>Change in Net Assets</i>	72,495	(1,027,455)
<i>Net Assets (Deficit) Beginning of Year, Restated (See Note 20)</i>	<u>303,007</u>	<u>3,418,645</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$ 375,502</u>	<u>\$ 2,391,190</u>

See accompanying notes to the basic financial statements



**Elyria City School District**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended June 30, 2003

	Business-Type Activities - - Enterprise Fund	Governmental Activities - Internal Service Fund
	Lunchroom/ Cafeteria	
<b>Increase (Decrease in Cash and Cash Equivalents)</b>		
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 840,491	\$ 5,638,205
Cash Payments to Employees for Services	(759,925)	(34,589)
Cash Payments for Employees Benefit	(318,381)	(245,313)
Cash Payments for Goods and Services	(1,230,203)	(406,201)
Cash Payments for Claims	-	(5,816,851)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(1,468,018)</u>	<u>(864,749)</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Grants Received	1,476,062	-
Transfer In	147,605	-
<i>Net Cash Provided by (Use by) Noncapital Financing Activities</i>	<u>1,623,667</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>		
Interest on Investment	483	70,662
<i>Net Cash Provided by (Used by) Investing Activities</i>	<u>483</u>	<u>70,662</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	156,132	(794,087)
<i>Cash and Cash Equivalents Beginning of Year, Restated (See Note 20)</i>	<u>67,175</u>	<u>4,119,407</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 223,307</u>	<u>\$ 3,325,320</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>		
<i>Operating Income (Loss)</i>	\$ (1,737,246)	\$ (1,097,574)
Adjustments:		
Depreciation	30,660	-
Donated Commodities	159,043	-
(Increase) Decrease in Assets:		
Accounts Receivable	-	4,938
Inventory Held for Resale	(13,678)	-
Materials and Supplies Inventory	(1,684)	-
Due from Other Funds	-	(109,632)
Increase (Decrease) in Liabilities:		
Accounts Payable	24,378	879
Accrued Wages	(1,316)	8,224
Compensated Absences Payable	10,167	3,356
Pension Obligation Payable	101,760	2,848
Intergovernmental Payable	(53,647)	424
Due to Other Funds	2,468	-
Deferred Revenue	11,077	109,632
Claims Payable	-	212,156
<i>Total Adjustments</i>	<u>269,228</u>	<u>232,825</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ (1,468,018)</u>	<u>\$ (864,749)</u>

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2003*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 235,993	\$ 197,774
<i>Total Assets</i>	235,993	197,774
<b>Liabilities</b>		
Due to Students	-	197,774
<i>Total Liabilities</i>	-	\$ 197,774
<b>Net Assets</b>		
Held in Trust for Scholarships	235,993	
<i>Total Net Assets</i>	\$ 235,993	

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Funds*  
*For the Year Ended June 30, 2003*

	Private Purpose Trust
	Scholarship
<b>Additions</b>	
Interest	\$ 387
Other Operating Revenues	61,816
	62,203
<b>Deduction</b>	4,250
<i>Change in Net Assets</i>	57,953
<i>Net Assets Beginning of Year, Restated (See Note 20)</i>	178,040
<i>Net Assets End of Year</i>	\$ 235,993

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**Note 1 – Summary of Significant Accounting Policies**

**Reporting Entity:** The Elyria City School District (the School District) is a local school district corporation governed by an elected Board of Education. The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the Elyria City School District, this includes general operations, food service and student related activities of the District.

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

The School District is involved with Lake Erie Educational Computer Association (LEECA), which is defined as jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 14.

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

***A. Fund Accounting***

The School District uses funds to report on its financial position and the results of its operations. 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 recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***Governmental Fund Types*** 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 major governmental funds:

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

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

***Proprietary Fund Types*** Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

***Enterprise Fund*** Enterprise fund is used to account for any activity for which a fee is charged to external users for goods or services. The School District's major enterprise fund is:

***Lunchroom/Cafeteria Fund*** This fund accounts for the financial transactions related to the food service operations of the School District.

***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, or to other governments, on a cost reimbursement basis. The School District's major internal service fund is:

***Self-Insurance Fund*** This fund accounts for monies received from other funds as payment for providing medical, hospitalization, dental, vision, life, or other similar employee health benefits. The self-insurance fund may make payments for services provided to employees, for reimbursements to employees who have paid providers, to third party administrators for claim payments or administration, for stop-loss coverage, or other reinsurance or other similar purpose.

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

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***B. Basis Of Presentation***

***Government-wide Financial Statements*** The statement of net assets and 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. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the School District 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 reconciliations with brief explanations to better identify the relation between the government-wide statements and the statements to 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 are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and 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 identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

***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 represented in a separate column. Non-major 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 fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 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 financial uses) of current financial resources.

All proprietary fund types 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 statement of net assets. 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.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

The trust fund is reported using the economic resources measurement focus.

***C. Basis of Accounting***

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

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the 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, interest, tuition, grants, student fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***D. Budgetary Data***

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. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level.

***Tax Budget*** 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 express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Lorain County Budget Commission for rate determination.

***Estimated Resources*** By 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 School 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 the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amount reported as the final budgeted amount in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2003.

***Appropriations*** Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary; the annual appropriation resolution is enacted by the Board of Education at the fund level. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources.



**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from the prior years. The amounts reported as the final budgeted amounts in the statement of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.

***Encumbrances*** As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

***Lapsing of Appropriations*** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

***E. Cash and Cash Equivalents***

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

The School District uses Group Healthcare to serve as a claim administrator for its self-insurance program. The balance of this account is presented on the financial statements as "cash and cash equivalents in segregated accounts" and represents deposits.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund amounted to \$432,301, and \$4,234 for other governmental funds.

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 considered to be investments.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***F. Restricted Assets***

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 16 for additional information regarding set-asides.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. For the current fiscal year, there were no prepaid items.

***H. Inventory***

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

On fund financial statements, inventories of governmental funds are stated at cost while 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. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when used. Inventories of proprietary funds consist of donated food and purchased food held for resale and are expensed when used.

***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 government activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 years	N/A
Building and Improvements	20 - 50 years	N/A
Furniture	20 years	20 years
Equipment	5 -15 years	15 years
Fixtures	20 years	20 years
Vehicles	8 years	N/A
Library and Text Books	6 years	N/A

***J. Interfund Balances***

On the fund financial statements, receivables and payables resulting 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 the 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 Statement No. 16 of the Governmental Accounting Standards Board, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all classified and non-classified employees that had ten years or more than ten years of service were considered expected to become eligible to retire in accordance with GASB 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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 available expendable resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***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 proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions 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 fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due.

***M. Interfund Activity***

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

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 as reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid from them are not presented on the financial statements.

***N. Fund Balance Reserves***

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. The net assets held in trust for scholarships signifies the legal restrictions on the use of principal.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***O. 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 the purposes for which both restricted and unrestricted net assets are available.

***P. Contributions of Capital***

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

***Q. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2003.

***R. Estimates***

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

***S. 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 and charges for services for self-insurance programs. Operating expenses are necessary cost occurred to provide the good or service that is the primary activity of the fund.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**Note 3 – Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances –Budget (Non-GAAP Budget Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are:

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

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

<u>Net Change in Fund Balance</u>	
Budget Basis	\$404,164
Net Adjustment for Revenue Accruals	1,259,135
Net Adjustment for Expenditure Accruals	291,812
Adjustment for Encumbrances	<u>(781,893)</u>
GAAP Basis	<u><u>\$1,173,218</u></u>

**Note 4 – 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.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

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

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

- United States Treasury Notes, Bill, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in 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 marked to market daily, and that the term of the agreement must not exceed thirty days;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasurer's investment pool (STAROhio);
- 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 monies available for investment at any one time; and,
- Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

Protection of 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.

**Cash on Hand** At year end, the School District had \$2,375 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

**Deposits** At fiscal year end, the carrying amount of the School District's deposits was \$871,912 and the bank balance was \$1,237,688. Of the bank balance:

1. \$112,535 was covered by federal depository insurance; and
2. \$1,125,153 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance 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.

	Category 2	Category 3	Fair Value
Categorized Investments:			
Money Market	\$0	\$8,225,403	\$8,225,403
Federal National Mortgage Notes	2,498,594	0	2,498,594
Federal Home Loan Bank Notes	1,999,200	0	1,999,200
Federal Home Loan Discount Notes	4,492,146	0	4,492,146
Total Categorized Investments	8,989,940	8,225,403	17,215,343
Non-categorized Investment:			
STAR Ohio	0	0	3,237,550
Total Investments	\$8,989,940	\$8,225,403	\$20,452,893

The District invested in Star Ohio, which is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.



**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting." A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$3,111,837	\$18,215,343
Cash on Hand	(2,375)	0
Certificates of Deposit over 90 Days	1,000,000	(1,000,000)
STAROhio	(3,237,550)	3,237,550
 GASB Statement 3	 \$871,912	 \$20,452,893

**Note 5 – Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. The Lorain County Auditor reappraises real property every six years, which was last completed for 2000. 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) is 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 personal 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 2004 with real property taxes.

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

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Agricultural/Residential and Other Real Estate	\$524,403,510	55.54%	\$528,391,310	55.28%
Commercial and Industrial	229,355,430	24.29	232,282,390	24.31
Public Utility	143,920	0.02	144,816	0.02
Tangible Property:				
Personal Property	156,666,730	16.59	160,437,610	16.78
Public Utility	33,609,340	3.56	34,479,990	3.61
<b>Total Assessed Value</b>	<b>\$944,178,930</b>	<b>100.00%</b>	<b>\$955,736,116</b>	<b>100.00%</b>
 Tax rate per \$1,000 of assessed valuation	 \$57.09		 \$56.81	

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 Lorain County Treasurer collects property taxes on behalf of all taxing districts in the county, including Elyria City School District. The Lorain County Auditor periodically remits 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 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent 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, only the amount available as an advance at June 30 was levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2003, was \$4,181,394. \$4,156,059 was available to the general fund and \$25,335 was available to the bond retirement fund.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

**Note 6 – Receivables**

Receivables at June 30, 2003, consisted of property taxes, accounts (rent, billings for user charged services, and tuition and fees), and intergovernmental grants. All receivables are considered collectible in full.

Intergovernmental grants consisted of the following for grants:

Governmental Funds	Amount
General	\$572,036
Disadvantage Pupil Impact Aid	146,812
Title VI-B	175,578
Title I	402,835
Title VI	33,679
Drug Free School Grant	1,513
Preschool Handicapped Grant	1
Class Size Reduction	171,658
Miscellaneous Federal Grants	367,978
Total Intergovernmental Receivable	\$1,872,090

**Note 7 – Interfund Balances**

**A. Interfund Transfers**

Interfund transfers for the year ended June 30, 2003, consisted of the following, as reported on the fund financial statements:

	Transfer In	Transfer Out
Major Governmental Fund:		
General	\$0	(\$833,481)
Nonmajor Governmental Funds:		
Eisenhower Math and Science Grant	0	(41,837)
Class Size Reduction	41,837	0
Permanent Improvement	685,876	0
Enterprise Funds:		
Lunchroom/Cafeteria	147,605	0

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization. Transfers are also used to close grants within funds that are not longer required.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***B. Due from/to Other Funds***

The due from/to other funds consisted of the following at June 30, 2003, as reported on the fund financial statements:

	Due from Other Funds	Due to Other Funds
Major Governmental Fund:		
General	\$0	\$761,409
Nonmajor Governmental Funds:		
Rotary	0	141
Auxiliary Service	0	2,205
Disadvantage Pupil Impact Aid	0	23,817
Summer School	0	2,586
Adult Basic Education	0	1,438
Title VI-B	0	10,741
Title I	0	28,405
Preschool Handicapped Grant	0	936
Continuous Improvement	0	1,575
Class Size Reduction	0	6,919
Miscellaneous Federal Grants	0	6,061
Enterprise Fund:		
Lunchroom/Cafeteria	0	14,292
Internal Service Fund:		
Self-Insurance	860,525	0

The primary purpose of the due from/to other funds is to account for the insurance premiums were due to the self-insurance fund by June 30.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2003

**Note 8 – Capital Assets**

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

	Balance 7/1/2002	Addition	Deletion	Balance 6/30/2003
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 513,251	\$ -	\$ -	\$ 513,251
<i>Total Capital Assets, not being depreciated:</i>	<u>513,251</u>	<u>-</u>	<u>-</u>	<u>513,251</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,913,456	-	-	1,913,456
Buildings and Improvements	23,888,266	-	-	23,888,266
Furniture, Equipment and Fixtures	7,100,726	643,951	-	7,744,677
Vehicles	651,972	16,061	-	668,033
Library and Textbooks	1,679,422	-	-	1,679,422
<i>Total Capital Assets, being depreciated:</i>	<u>35,233,842</u>	<u>660,012</u>	<u>-</u>	<u>35,893,854</u>
Less Accumulated Depreciation:				
Land Improvements	(1,291,365)	(38,410)	-	(1,329,775)
Building and Improvements	(21,720,519)	(167,940)	-	(21,888,459)
Furniture, Equipment, and Fixtures	(3,520,079)	(1,086,526)	-	(4,606,605)
Vehicles	(633,222)	(8,504)	-	(641,726)
Library and Textbooks	(1,263,260)	(274,595)	-	(1,537,855)
<i>Total Accumulated Depreciation</i>	<u>(28,428,445)</u>	<u>(1,575,975)</u>	<u>-</u>	<u>(30,004,420)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>6,805,397</u>	<u>(915,963)</u>	<u>-</u>	<u>5,889,434</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,318,648</u>	<u>\$ (915,963)</u>	<u>\$ -</u>	<u>\$ 6,402,685</u>
<b>Business-Type Activities</b>				
Furniture, Equipment and Fixtures	\$ 525,220	\$ -	\$ -	\$ 525,220
Less Accumulated Depreciation	<u>(278,874)</u>	<u>(30,660)</u>	<u>-</u>	<u>(309,534)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 246,346</u>	<u>\$ (30,660)</u>	<u>\$ -</u>	<u>\$ 215,686</u>

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2003

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,027,313
Special	8,080
Adult	551
Support Services:	
Pupil	13,104
Instructional Staff	231,041
Administration	54,184
Business	405
Pupil Transportation	14,489
Central	202,865
Operationg of Non-instructional Services	
Extracurricular Activities	23,943
	23,943
Total Depreciation Expense	\$ 1,575,975

In fiscal year 2003, the School District performed a physical inventory count on capital assets and discovered an overstatement of the capital assets. The School District reduced the beginning capital assets in the governmental activities by \$18,506,806. In the business-type activities, the beginning balance for the capital assets was increased by \$41,013, and the accumulated depreciation was reduced by \$54,676.

By terms of agreement, the West River Branch Building of the Elyria Public Library, is included in the capital assets of Elyria City School District. The cost of \$3,374,395 for this asset will be carried on the District records until the year of 2006. At that time the bonded debt for the Library construction will be paid off and the title to the Library building will be transferred to the Elyria Public Library.

**Note 9 – Leases**

**Capital Leases** The School District is a party to lease agreements as lessee for financing the acquisition of communication equipment and photocopiers. The lease agreements quality as future minimum leases for accounting purposes and, therefore, were recorded at the present values of the future minimum lease payments as of the inception dates in the government-wide statements.

The future minimum lease obligations and the net present values of these minimum lease payments as of June 30, 2003, were as follow:

Year Ending June 30,	
2004	\$52,080
2005	52,080
2006	26,040
Total Minimum Lease Payments	130,200
Less: Amount Representing Interest	(16,966)
Present Value of Minimum Lease Payment	\$113,234

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2003

**Note 10 – Long-term liabilities**

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

	Principal Outstanding 6/30/2002	Additions	Reductions	Principal Outstanding 6/30/2003	Amounts Due in One Year
<b>Governmental Activities</b>					
1992 Library Construction Bonds	\$ 1,360,000	-	(310,000)	\$ 1,050,000	\$ 330,000
Capital Leases	169,672	-	(56,438)	113,234	45,294
Compensated Absences	4,913,839	2,310,515	(2,098,695)	5,125,659	332,320
<b>Total Governmental Activities</b>					
Long-Term Liabilities	<u>\$ 6,443,511</u>	<u>2,310,515</u>	<u>(2,465,133)</u>	<u>\$ 6,288,893</u>	<u>\$ 707,614</u>
<b>Business-Type Activities</b>					
Compensated Absences	<u>\$ 47,595</u>	<u>37,477</u>	<u>(30,360)</u>	<u>\$ 54,712</u>	<u>\$ 2,990</u>

Outstanding bonds were issued to provide funds for the acquisition and construction of equipment and facilities and are general obligations of the School District for which its full faith, credit and resources are pledged for repayment. Accordingly, obligations resulting from bond indebtedness are represented within the governmental activities.

Annual requirements to amortize all bonds outstanding on the June 30, 2003, including interest payments, are as follow:

Fiscal Year	Principal	Interest	Total
2004	\$330,000	\$54,828	\$384,828
2005	350,000	34,160	384,160
2006	370,000	11,655	381,655
Total	<u>\$1,050,000</u>	<u>\$100,643</u>	<u>\$1,150,643</u>

**Note 11 – Risk Management**

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. For fiscal year 2003 the School District contracted with Nationwide/Wausau Company for property insurance. Professional liability is protected by Nationwide/Wausau Company with \$5,000,000 aggregate limit.

Vehicles are covered by Nationwide/Wausau Company. Automobile liability has \$2,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past several years. The School District did not reduce their limit of liability in the current year.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

The Board President and the Superintendent are covered with surety bonds for \$50,000 with Westfield Ohio Farmers. The Treasurer is covered by a surety bond in the amount of \$50,000. This bond is with Ohio Farmers Insurance Company.

The School District participates in the Ohio School Board Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool for public school districts. 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 Ohio School Boards Association. 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.

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 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. The total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". The "equity pooling" arrangement insures that each participant shares equally in the overall performance of 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.

The School District has established a medical self-insurance fund for School District employees and their covered dependents, in order to minimize the annual cost of medical insurance. The program is administered by the School District and is assisted by an outside third-party administrator. At year end, self-insurance was in effect with stop loss of \$75,000 per member and an aggregate stop-loss of \$4,172,437 for medical claims. Excess losses are insured by the Medical Mutual of Ohio plan.

Self-insurance for liability exposure is maintained in an internal service fund. The internal service fund is responsible for collecting interfund premiums from funds having payroll expenditures. The internal service fund is also responsible for paying claim settlements and administrative fees as invoiced by the Medical Mutual of Ohio plan as well as Advanced PCS which administers the prescription plan.

The claims liability is \$915,500 reported in the self-insurance fund at June 30, 2003 is based on the liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The amount was based on an estimate provided by the third-party administrator. The change in the liability for the last three years is presented in the following table.

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2001	\$681,669	\$4,180,931	\$4,185,156	\$677,444
2002	\$677,444	\$5,454,548	\$5,428,648	\$703,344
2003	\$703,344	\$6,029,007	\$5,817,351	\$915,000



**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**Note 12 – Defined Benefit Pension Plans**

*A. School Employees Retirement System*

The School District contributes to the School Employees System of Ohio (SERS), a cost-sharing multiple employer defined pension system. 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 State statute per 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 Board Street, Suite 100, Columbus, Ohio 43215-3746 or by calling 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by 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 \$1,355,184, 2,085,328, and \$1,529,488, respectively; 43.16 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. \$770,257 representing the unpaid contribution for fiscal year 2003 is recorded as a liability.

*B. State Teachers Retirement System*

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2003, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$4,838,292, \$5,942,922, and \$6,364,702 respectively; 83.14 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. \$815,856 representing the unpaid contribution for fiscal year 2003 is recorded as a liability.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***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/State Teachers Retirement System. As of June 30, 2003, all members of the Board of Education have elected social security. The Board's liability is 6.2% of wages paid.

**Note 13 – Postemployment 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.

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.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal year ended June 30, 2002 (the latest information available), the STRS 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 \$1,555,165 for fiscal year 2003.

STRS pays health care benefits from the Health Care Stabilization 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 this fiscal year, SERS employer contributions to fund health care benefits were 5.83 percent of covered payroll. 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 has been established at \$14,500. 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 annual health care expenses. Expenses for health care at June 30, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003 SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$651,493 during the 2003 fiscal year.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**Note 14 – Jointly Governed Organizations**

***Lake Erie Educational Computer Association*** The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization among thirty school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of the computers and other electronic equipment to administrative and instructional functions among districts. Each of the governments of these schools supports LEECA based upon a per pupil charge dependent or designated representative from each participating school district and a representative from the fiscal agent. LEECA is governed by a Board of Directors chosen from the general membership of the LEECA assembly. The Board of Directors consists of a representative from the fiscal agent, and the chairman of each of the operating committees, and at least one Assembly member from each county in which the participating school districts are located.

Financial information can be obtained by contacting the Treasurer at the Educational Service Center if Elyria at 1885 Lake Avenue, Elyria, Ohio 44035. During fiscal year 2003, the School District contributed \$232,913.

**Note 15 – Contingencies**

*A. Grants*

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure 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 is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

**Note 16 – Set-Aside Requirements**

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.

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

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

	Textbooks	Capital Improvement	Total
Set-aside balance as of June 30, 2002	(\$754,315)	\$0	(\$754,315)
Current year set-aside requirement	1,123,741	1,123,741	2,247,482
Qualifying expenditures	(1,465,337)	(1,140,000)	(2,605,337)
Totals	<u>(1,095,911)</u>	<u>(16,259)</u>	<u>(1,112,170)</u>
Cash balance carried forward to FY 2004	<u>(\$1,095,911)</u>	<u>\$0</u>	<u>(\$1,095,911)</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amounts below zero. This extra amount may be used to reduce the set-aside requirements in future fiscal years.

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

**Note 17 – Subsequent Event**

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 – Accountability and Compliances**

*A. Fund Deficits*

Fund balances at June 30, 2003 included the following individual fund deficits:

Funds	Deficit Fund Balance
Nonmajor Special Revenue Funds	
Disadvantaged Pupil Impact Aid	\$97,686
Alternative School	1,010
Preschool Handicapped Grant	5,785

The fund deficit in all funds is the result of the recognition of liabilities in accordance with general accepted accounting principles. Management is analyzing the operations of these funds to determine appropriate steps to eliminate the deficits.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

*B. Legal Compliance*

- Various special revenue funds had total available resources below the current level of appropriations, contrary to Ohio Revised Code §5705.36 and §5705.39.
- The School District did not encumber certain transactions during the year, contrary to Ohio Revised Code §5705.41(D). This caused various special revenue funds to have negative budgetary fund balance.

**Note 19 – Restatement of Fund Balance on the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual**

At June 30, 2002, several funds were incorrectly recorded on the Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual. In addition, some fund balances at June 30, 2002 were restated due to reclassifications of funds (See Note 20). The corrections were made for the current year and the changes were presented as followed.

	<u>Beginning Fund Balance at June 30, 2002</u>	<u>Fund Reclassification</u>	<u>Adjustments</u>	<u>Beginning Fund Balance at June 30, 2002</u>
Major Governmental Fund:				
General	\$ 10,778,376	51,782	(569,020)	\$ 10,261,138
Nonmajor Special Revenue Funds:				
Special Trust	\$ -	45,229	-	\$ 45,229
Uniform School Supplies	\$ -	350,824	-	\$ 350,824
Rotary	\$ -	1,156	-	\$ 1,156
Public School Support	\$ 195,394	349	-	\$ 195,743
Auxiliary Services	\$ (722)	-	(700)	\$ (1,422)
Data Communication	\$ 60,608	(5,619)	(500)	\$ 54,489
SchoolNet Equipment/Infrastructure	\$ -	5,619	-	\$ 5,619
Nonmajor Capital Projects Funds:				
Permanent Improvement	\$ 2,144,641	(1,232)	560,460	\$ 2,703,869
Capital Building	\$ -	1,232	-	\$ 1,232
Fiduciary Funds:				
Private-Purpose Trust	\$ 7,967	170,073	-	\$ 178,040

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

**Note 20 – Changes in Accounting Principals and Restatement of Fund Balance**

**Changes in Accounting Principles** For the fiscal year 2003, the School District has implemented GASB No. 34, “Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments”, GASB No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB No. 38, “Certain Financial Statement Note Disclosures”, GASB No. 41, “Budgetary Comparison Schedules – Perspective Differences – an amendment of GASB Statement No. 34”, 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 balances as a result of implementing GASB Statements No. 37, 38, and 41.

**Restatement of Fund Balances** The restatements of fund equity for correction of prior year accrual balances and assets and fund reclassification had the following effect on the fund balances of the major and non-major funds of the School District as they were previously reported.

	General Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances at June 30, 2002	\$ 8,307,912	\$ 5,061,788	\$ 13,369,700
Fund Reclassification	52,231	417,611	469,842
Restated Assets	(569,021)	525,977	(43,044)
Fund Balances at July 1, 2002	\$ 7,791,122	\$ 6,005,376	\$ 13,796,498

In fiscal year 2003, the Internal Service Rotary Fund which previously reported under the Internal Service Funds was reclassified to the General Fund. In addition, the Uniform School Supplies Fund, and Rotary Fund which previously reported under the Enterprise Funds, and a portion of the Expendable Trust Funds which previously reported under Fiduciary Funds were reclassified to Special Revenue Funds.

GASB 34 creates new basic financial statements for reporting on the School District’s financial activities. The 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. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the School District’s programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the changes in fund balance for governmental funds at June 30, 2002, cause by elimination of the internal service fund and the conversion to the accrual basis of accounting.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2003

The transition from governmental fund balance to net assets of the governmental activities is presented as follows:

	General Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances at June 30, 2002	\$ 7,791,122	\$ 6,005,376	\$ 13,796,498
Adjustments:			
Capital Asset			7,318,648
GASB Interpretation No. 6			(3,853,990)
GASB 34			
Deferred Revenue			1,478,858
Pension Obligation Payable			(547,631)
Accrued Interest Payable			(4,569)
Internal Service Fund			3,418,645
Long-term Liabilities			(1,529,672)
Governmental Activities Net Assets at June 30, 2002			\$ 20,076,787

The transition from proprietary fund equity to net assets of the business-type activities and governmental activities – internal service fund is presented as follows:

	Enterprise Fund	Internal Service Fund
Fund Equity at June 30, 2002	\$ 587,788	\$ 3,478,730
Fund Reclassification	(377,642)	(52,231)
Adjustments:		
Cash and Cash Equivalents	-	(3,673)
Capital Assets	95,689	-
GASB Interpretation No. 6		
Compensated Absences Payable	(2,828)	(4,181)
Business-type Activities Net Assets at June 30, 2002	\$ 303,007	
Governmental Activities - Internal Service Fund at June 30, 2002		\$ 3,418,645

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

The transition from fiduciary fund equity to net assets is presented as follows:

	<u>Private-Purpose Trust Fund</u>
Fund Equity as June 30, 2002	\$ 7,967
Fund Reclassification	<u>170,073</u>
Net Assets as June 30, 2002	<u>\$ 178,040</u>

In fiscal year 2003, a portion of the Expendable Trust Fund was reclassified to the Private-Purpose Trust Fund.



**Elyria City School District**

**Combining Statements and Individual Fund Schedules**

**This page intentionally left blank.**

## Elyria City School District

### *Combining Statements – Nonmajor Funds*

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

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

***Special Trust Fund*** This fund accounts for monies used for purposes that are beneficial to the overall operation of the School District.

***Uniform School Supplies Fund*** This fund accounts for financial activity related to the purchase and sale of school supplies as adopted by the board of education for use within the School District.

***Rotary Fund*** This fund accounts for all revenues and expenses related to the following activities: high school bookstore, evening school, summer school, and safety town.

***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 proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specific purposes.

***Venture Capital Fund*** This fund accounts for state monies used for maintenance on venture schools.

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

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

***Teacher Development Fund*** This fund accounts for State monies in support of locally developed professional development programs.

***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.

***Public School Preschool Fund*** This fund accounts for State monies used to assist the School District I paying the cost of preschool programs for three and four year olds.

***Disadvantaged Pupil Impact Aid Fund*** This fund accounts for State monies received for disadvantaged pupils.

## Elyria City School District

### Nonmajor Special Revenue Funds

(continued)

**Data Communication Fund** This fund accounts for State monies received to provide 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 Grant 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.

**Summer School Fund** This fund is used to account for monies used for education during summer months.

**Family and Children First Fund** This fund accounts for monies used for programs for new and existing at risk and delinquent youths.

**Alternative School Fund** This fund accounts for monies used for alternative education for new and existing at risk and delinquent youths.

**Extended Learning Fund** This fund accounts for funds received from the State agencies that are used for development of basic educational skills and increase of opportunities for useful employment.

**Miscellaneous State Grants Fund** This fund accounts for small miscellaneous grants from the State government.

**Adult Basic Education Fund** This fund accounts for Federal monies used for instructional programs for persons sixteen years of age and older who are not enrolled in school and who have less than a twelfth-grade education.

**Eisenhower Math and Science Grant Fund** This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning.

**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.

## **Elyria City School District**

### **Nonmajor Special Revenue Funds**

(continued)

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

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

***Preschool Handicapped Grant Fund*** This fund accounts for Federal monies which provide for the cost of developing a public school preschool for handicapped and non-handicapped children.

***Continuous Improvement Fund*** This fund accounts for Federal monies which target improvement in the teacher student ratio in the classroom.

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

***Miscellaneous Federal Grants Fund*** This fund accounts for small miscellaneous grants from the federal governments.

### **Nonmajor Debt Service Fund**

Debt Service Fund is used to account for the accumulation of resources for the payment of long-term debt principal, interest, and fiscal charges. The only debt service fund for the School District is Bond Retirement Fund.

### **Nonmajor Capital Projects Funds**

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

***Permanent Improvement Fund*** This fund accounts for all transaction related to acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5707, Revised Code.

***Capital Building Fund*** This fund accounts for monies to be used for building improvements.

***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.

**Elyria City School District**

Combining Balance Sheet  
*Nonmajor Governmental Funds*

June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,908,074	\$ 734,399	\$ 2,705,399	\$ 5,347,872
<b>Receivables:</b>				
Taxes	-	158,215	-	158,215
Accounts	149	-	-	149
Intergovernmental	1,300,054	-	-	1,300,054
<b>Materials and Supplies</b>				
Inventory	4,029	-	-	4,029
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Assets</i>	<u>3,212,306</u>	<u>892,614</u>	<u>2,705,399</u>	<u>6,810,319</u>
<b>Liabilities:</b>				
Accounts Payable	312,665	-	35,656	348,321
Accrued Wages	568,487	-	-	568,487
Pension Obligation Payable	94,655	-	-	94,655
Due to Other Funds	84,824	-	-	84,824
Intergovernmental Payable	40,746	-	14	40,760
Deferred Revenue	614,072	132,880	-	746,952
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Liabilities</i>	<u>1,715,449</u>	<u>132,880</u>	<u>35,670</u>	<u>1,883,999</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	372,553	-	63,546	436,099
Reserved for Property Taxes	-	25,335	-	25,335
Reserved for Debt Service	-	734,399	-	734,399
<b>Unreserved:</b>				
Undesignated	1,124,304	-	2,606,183	3,730,487
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Fund Balance</i>	<u>1,496,857</u>	<u>759,734</u>	<u>2,669,729</u>	<u>4,926,320</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 3,212,306</u>	<u>\$ 892,614</u>	<u>\$ 2,705,399</u>	<u>\$ 6,810,319</u>

**Elyria City School District**

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

For the Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ -	\$ 263,731	\$ -	\$ 263,731
Intergovernmental	8,584,080	28,822	-	8,612,902
Interest	4,234	-	-	4,234
Extracurricular Activities	196,399	-	-	196,399
Classroom Materials and Fees	261,887	-	-	261,887
Miscellaneous	434,590	-	-	434,590
<b>Total Revenues</b>	<b>9,481,190</b>	<b>292,553</b>	<b>-</b>	<b>9,773,743</b>
Expenditures:				
Current:				
Instruction:				
Regular	1,746,316	-	255,624	2,001,940
Special	2,646,566	-	-	2,646,566
Adult/Continuing	69,347	-	-	69,347
Support Services:				
Pupils	1,168,082	-	-	1,168,082
Instructional Staff	2,184,010	-	-	2,184,010
Administration	487,759	-	-	487,759
Fiscal	33,558	4,479	-	38,037
Operation and Maintenance of Plant	5,764	-	79,176	84,940
Pupil Transportation	61,591	-	-	61,591
Central	35,355	-	233,348	268,703
Operation of Non-Instructional Services	1,288,558	-	-	1,288,558
Extracurricular Activities	467,644	-	-	467,644
Capital Outlay	-	-	388,018	388,018
Debt Service:				
Principal Retirement	-	310,000	-	310,000
Interest and Fiscal Charges	-	73,480	-	73,480
<b>Total Expenditures</b>	<b>10,194,550</b>	<b>387,959</b>	<b>956,166</b>	<b>11,538,675</b>
Excess of Revenues Over (Under) Expenditures	(713,360)	(95,406)	(956,166)	(1,764,932)
Other Financing Sources (Uses):				
Transfers In	41,837	-	685,876	727,713
Transfers Out	(41,837)	-	-	(41,837)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>685,876</b>	<b>685,876</b>
<b>Net Change in Fund Balances</b>	<b>(713,360)</b>	<b>(95,406)</b>	<b>(270,290)</b>	<b>(1,079,056)</b>
Fund Balance (Deficit) at Beginning of Year, Restated (See Note 20)	2,210,217	855,140	2,940,019	6,005,376
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 1,496,857</b>	<b>\$ 759,734</b>	<b>\$ 2,669,729</b>	<b>\$ 4,926,320</b>

**Elyria City School District**

Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2003

	Special Trust	Uniform School Supplies	Rotary	Public School Support
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 47,948	\$ 379,056	\$ 2,600	\$ 163,735
<b>Receivables:</b>				
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Materials and Supplies Inventory	-	4,029	-	-
<b>Total Assets</b>	<u>47,948</u>	<u>383,085</u>	<u>2,600</u>	<u>163,735</u>
<b>Liabilities:</b>				
Accounts Payable	-	14,887	-	-
Accrued Wages	-	-	-	-
Pension Obligation Payable	158	-	-	-
Due to Other Funds	-	-	141	-
Intergovernmental Payable	150	-	-	-
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<u>308</u>	<u>14,887</u>	<u>141</u>	<u>-</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	-	11,188	71	31,333
Unreserved:				
Undesignated	47,640	357,010	2,388	132,402
<b>Total Fund Balance</b>	<u>47,640</u>	<u>368,198</u>	<u>2,459</u>	<u>163,735</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 47,948</u>	<u>\$ 383,085</u>	<u>\$ 2,600</u>	<u>\$ 163,735</u>



<u>Local Grants</u>	<u>Venture Capital</u>	<u>Athletic and Music</u>	<u>Auxiliary Service</u>	<u>Teacher Development</u>	<u>Education Management Information System</u>	<u>Public School Preschool</u>
\$ 109,716	\$ -	\$ 143,421	\$ 287,145	\$ -	\$ 34,807	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>109,716</u>	<u>-</u>	<u>143,421</u>	<u>287,145</u>	<u>-</u>	<u>34,807</u>	<u>-</u>
4,189	-	-	170,509	-	-	-
-	-	-	15,614	-	-	-
-	-	-	2,466	-	-	-
-	-	-	2,205	-	-	-
-	-	-	2,319	-	-	-
-	-	-	-	-	-	-
<u>4,189</u>	<u>-</u>	<u>-</u>	<u>193,113</u>	<u>-</u>	<u>-</u>	<u>-</u>
843	-	12,184	148,070	-	243	-
<u>104,684</u>	<u>-</u>	<u>131,237</u>	<u>(54,038)</u>	<u>-</u>	<u>34,564</u>	<u>-</u>
<u>105,527</u>	<u>-</u>	<u>143,421</u>	<u>94,032</u>	<u>-</u>	<u>34,807</u>	<u>-</u>
<u>\$ 109,716</u>	<u>\$ -</u>	<u>\$ 143,421</u>	<u>\$ 287,145</u>	<u>\$ -</u>	<u>\$ 34,807</u>	<u>\$ -</u>

(continued)

**Elyria City School District**

Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)

June 30, 2003

	Disadvantaged Pupil Impact Aid	Data Communication	SchoolNet Professional Development	Ohio Reads Grant
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 117,616	\$ 7,616	\$ 40,766
<b>Receivables:</b>				
Accounts	-	-	-	-
Intergovernmental	146,812	-	-	-
Materials and Supplies Inventory	-	-	-	-
<b>Total Assets</b>	<u>146,812</u>	<u>117,616</u>	<u>7,616</u>	<u>40,766</u>
<b>Liabilities:</b>				
Accounts Payable	-	-	-	33,158
Accrued Wages	182,413	-	-	-
Pension Obligation Payable	26,630	-	-	-
Due to Other Funds	23,817	-	-	-
Intergovernmental Payable	11,638	-	-	-
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<u>244,498</u>	<u>-</u>	<u>-</u>	<u>33,158</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	-	-	-	7,596
Unreserved:				
Undesignated	(97,686)	117,616	7,616	12
<b>Total Fund Balance</b>	<u>(97,686)</u>	<u>117,616</u>	<u>7,616</u>	<u>7,608</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 146,812</u>	<u>\$ 117,616</u>	<u>\$ 7,616</u>	<u>\$ 40,766</u>

Summer School	Family and Children First	Alternative School	Extended Learning	Miscellaneous State Grants	Adult Basic Education	Eisenhower Math and Science Grant
\$ 39,848	\$ -	\$ -	\$ -	\$ 15,073	\$ 33,271	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>39,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,073</u>	<u>33,271</u>	<u>-</u>
239	-	-	-	-	2,165	-
-	-	-	-	-	276	-
2,892	-	-	-	-	1,608	-
2,586	-	-	-	-	1,438	-
-	-	1,010	-	76	772	-
-	-	-	-	-	-	-
<u>5,717</u>	<u>-</u>	<u>1,010</u>	<u>-</u>	<u>76</u>	<u>6,259</u>	<u>-</u>
2,017	-	-	-	-	89	-
<u>32,114</u>	<u>-</u>	<u>(1,010)</u>	<u>-</u>	<u>14,997</u>	<u>26,923</u>	<u>-</u>
<u>34,131</u>	<u>-</u>	<u>(1,010)</u>	<u>-</u>	<u>14,997</u>	<u>27,012</u>	<u>-</u>
<u>\$ 39,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,073</u>	<u>\$ 33,271</u>	<u>\$ -</u>

(continued)

**Elyria City School District**

Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)

June 30, 2003

	Title VI-B	Title I	Title VI	Drug Free School Grant
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 48,796	\$ 242,651	\$ 28,425	\$ 3,791
<b>Receivables:</b>				
Accounts	149	-	-	-
Intergovernmental	175,578	402,835	33,679	1,513
Materials and Supplies Inventory	-	-	-	-
<b>Total Assets</b>	<u>224,523</u>	<u>645,486</u>	<u>62,104</u>	<u>5,304</u>
<b>Liabilities:</b>				
Accounts Payable	49,018	11,037	2,890	534
Accrued Wages	74,847	187,677	-	-
Pension Obligation Payable	11,820	31,760	-	-
Due to Other Funds	10,741	28,405	-	-
Intergovernmental Payable	5,313	12,685	1	-
Deferred Revenue	15,582	158,356	33,679	-
<b>Total Liabilities</b>	<u>167,321</u>	<u>429,920</u>	<u>36,570</u>	<u>534</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	54,111	47,177	51	3,420
Unreserved:				
Undesignated	3,091	168,389	25,483	1,350
<b>Total Fund Balance</b>	<u>57,202</u>	<u>215,566</u>	<u>25,534</u>	<u>4,770</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 224,523</u>	<u>\$ 645,486</u>	<u>\$ 62,104</u>	<u>\$ 5,304</u>

<u>Preschool Handicapped Grant</u>	<u>Continuous Improvement</u>	<u>Class Size Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 3,042	\$ 47,031	\$ 28,130	\$ 83,590	\$ 1,908,074
-	-	-	-	149
1	-	171,658	367,978	1,300,054
-	-	-	-	4,029
<u>3,043</u>	<u>47,031</u>	<u>199,788</u>	<u>451,568</u>	<u>3,212,306</u>
176	1,322	6,912	15,629	312,665
6,305	-	55,629	45,726	568,487
1,047	1,761	7,736	6,777	94,655
936	1,575	6,919	6,061	84,824
363	555	3,277	2,587	40,746
1	-	112,793	293,661	614,072
<u>8,828</u>	<u>5,213</u>	<u>193,266</u>	<u>370,441</u>	<u>1,715,449</u>
244	1,681	-	52,235	372,553
<u>(6,029)</u>	<u>40,137</u>	<u>6,522</u>	<u>28,892</u>	<u>1,124,304</u>
<u>(5,785)</u>	<u>41,818</u>	<u>6,522</u>	<u>81,127</u>	<u>1,496,857</u>
<u>\$ 3,043</u>	<u>\$ 47,031</u>	<u>\$ 199,788</u>	<u>\$ 451,568</u>	<u>\$ 3,212,306</u>

**Elyria City School District**

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

For the Year Ended June 30, 2003

	Special Trust	Uniform School Supplies	Rotary	Public School Support
<b>Revenues:</b>				
Intergovernmental	\$ -	-	-	\$ -
Interest	-	-	-	-
Extracurricular Activities	-	-	-	54,458
Classroom Materials and Fees	-	261,887	-	-
Miscellaneous	101,680	-	5,654	147,372
<b>Total Revenues</b>	<b>101,680</b>	<b>261,887</b>	<b>5,654</b>	<b>201,830</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	35,978	243,444	141	-
Special	-	26,730	-	-
Adult	-	-	2,948	-
<b>Support Services:</b>				
Pupils	-	-	-	-
Instructional Staff	57,305	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Central	374	-	-	82
Operation of Non-Instructional Services	-	-	1,263	-
Extracurricular Activities	-	-	-	266,617
<b>Total Expenditures</b>	<b>93,657</b>	<b>270,174</b>	<b>4,352</b>	<b>266,699</b>
Excess of Revenues Over (Under) Expenditures	8,023	(8,287)	1,302	(64,869)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>8,023</b>	<b>(8,287)</b>	<b>1,302</b>	<b>(64,869)</b>
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 20)	39,617	376,485	1,157	228,604
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ 47,640</b>	<b>368,198</b>	<b>2,459</b>	<b>\$ 163,735</b>

Local Grants	Venture Capital	Athletic and Music	Auxiliary Service	Teacher Development	Education Management Information System	Public School Preschool
\$ -	\$ -	\$ -	\$ 1,066,004	\$ -	\$ 30,346	\$ 82,124
-	-	-	4,234	-	-	-
-	-	141,941	-	-	-	-
-	-	-	-	-	-	-
111,023	-	68,861	-	-	-	-
111,023	-	210,802	1,070,238	-	30,346	82,124
2,148	-	-	-	-	-	-
-	-	-	-	-	-	51,150
-	-	-	-	-	-	-
27,437	-	-	-	-	-	-
5,423	599	-	-	1,970	-	21,813
-	-	-	-	-	-	7,175
-	-	31,058	-	-	-	2,500
-	-	-	-	-	-	-
-	-	-	-	-	25,051	-
-	-	-	1,187,688	-	-	-
27,978	-	173,049	-	-	-	-
62,986	599	204,107	1,187,688	1,970	25,051	82,638
48,037	(599)	6,695	(117,450)	(1,970)	5,295	(514)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
48,037	(599)	6,695	(117,450)	(1,970)	5,295	(514)
57,490	599	136,726	211,482	1,970	29,512	514
\$ 105,527	\$ -	\$ 143,421	\$ 94,032	\$ -	\$ 34,807	\$ -

(continued)

**Elyria City School District**

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

For the Year Ended June 30, 2003

	Disadvantaged Pupil Impact Aid	Data Communication	SchoolNet Professional Development	Ohio Reads Grant
Revenues:				
Intergovernmental	\$ 1,874,015	\$ 63,095	\$ 10,950	\$ 217,500
Interest	-	-	-	-
Extracurricular Activities	-	-	-	-
Classroom Materials and Fees	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>1,874,015</u>	<u>63,095</u>	<u>10,950</u>	<u>217,500</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,246,493	-	-	-
Special	-	-	-	84,988
Adult	-	-	-	-
Support Services:				
Pupils	297,436	-	-	-
Instructional Staff	125,666	-	-	156,345
Administration	132,643	-	-	-
Fiscal	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	395	9,453	-
Operation of Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>1,802,238</u>	<u>395</u>	<u>9,453</u>	<u>241,333</u>
Excess of Revenues Over (Under) Expenditures	71,777	62,700	1,497	(23,833)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	71,777	62,700	1,497	(23,833)
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 20)	<u>(169,463)</u>	<u>54,916</u>	<u>6,119</u>	<u>31,441</u>
Fund Balance (Deficit) at the End of the Year	<u>\$ (97,686)</u>	<u>\$ 117,616</u>	<u>\$ 7,616</u>	<u>\$ 7,608</u>



Summer School	Family and Children First	Alternative School	Extended Learning	Miscellaneous State Grants	Adult Basic Education	Eisenhower Math and Science Grant
\$ -	\$ -	238,742	\$ -	\$ 79,358	\$ 165,244	\$ 34,511
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	238,742	-	79,358	165,244	34,511
62,871	-	143,451	-	-	-	-
-	-	-	15,330	7,832	-	-
-	-	-	-	-	66,399	-
-	-	-	-	59,803	-	-
-	-	68,227	-	15,855	83,944	33,000
-	-	78,987	-	-	3,612	-
-	-	-	-	-	-	-
-	-	509	-	-	2,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	492	-	-	-	-	-
-	-	-	-	-	-	-
62,871	492	291,174	15,330	83,490	155,955	33,000
(62,871)	(492)	(52,432)	(15,330)	(4,132)	9,289	1,511
-	-	-	-	-	-	-
-	-	-	-	-	-	(41,837)
-	-	-	-	-	-	(41,837)
(62,871)	(492)	(52,432)	(15,330)	(4,132)	9,289	(40,326)
97,002	492	51,422	15,330	19,129	17,723	40,326
\$ 34,131	\$ -	(1,010)	\$ -	\$ 14,997	\$ 27,012	\$ -

(continued)

**Elyria City School District**

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

For the Year Ended June 30, 2003

	Title VI-B	Title I	Title VI	Drug Free School Grant
Revenues:				
Intergovernmental	\$ 1,041,466	\$ 2,380,617	\$ 37,413	\$ 61,501
Interest	-	-	-	-
Extracurricular Activities	-	-	-	-
Classroom Materials and Fees	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>1,041,466</b>	<b>2,380,617</b>	<b>37,413</b>	<b>61,501</b>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	144	1,350
Special	198,541	1,753,518	929	-
Adult	-	-	-	-
Support Services:				
Pupils	225,530	-	-	82,017
Instructional Staff	579,309	789,034	42,595	-
Administration	93,261	117,822	3,582	-
Fiscal	-	-	-	-
Operation and Maintenance of Plant	3,255	-	-	-
Pupil Transportation	-	60,156	-	1,435
Central	-	-	-	-
Operation of Non-Instructional Services	70,350	20,159	8,155	26
Extracurricular Activities	-	-	-	-
<b>Total Expenditures</b>	<b>1,170,246</b>	<b>2,740,689</b>	<b>55,405</b>	<b>84,828</b>
Excess of Revenues Over (Under) Expenditures	(128,780)	(360,072)	(17,992)	(23,327)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>(128,780)</b>	<b>(360,072)</b>	<b>(17,992)</b>	<b>(23,327)</b>
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 20)	185,982	575,638	43,526	28,097
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ 57,202</b>	<b>\$ 215,566</b>	<b>\$ 25,534</b>	<b>\$ 4,770</b>

Preschool Handicapped Grant	Continuous Improvement	Class Size Reduction	Miscellaneous Federal Grants	Total Non-major Special Revenue Funds
\$ 62,435	\$ 149,970	\$ 500,922	\$ 487,867	\$ 8,584,080
-	-	-	-	4,234
-	-	-	-	196,399
-	-	-	-	261,887
-	-	-	-	434,590
62,435	149,970	500,922	487,867	9,481,190
-	7,218	-	3,078	1,746,316
-	458	505,136	1,954	2,646,566
-	-	-	-	69,347
-	-	-	475,859	1,168,082
24,226	131,654	6,487	40,558	2,184,010
42,695	-	-	7,982	487,759
-	-	-	-	33,558
-	-	-	-	5,764
-	-	-	-	61,591
-	-	-	-	35,355
-	-	425	-	1,288,558
-	-	-	-	467,644
66,921	139,330	512,048	529,431	10,194,550
(4,486)	10,640	(11,126)	(41,564)	(713,360)
-	-	41,837	-	41,837
-	-	-	-	(41,837)
-	-	41,837	-	-
(4,486)	10,640	30,711	(41,564)	(713,360)
(1,299)	31,178	(24,189)	122,691	2,210,217
\$ (5,785)	\$ 41,818	\$ 6,522	\$ 81,127	\$ 1,496,857

**Elyria City School District**

Combining Balance Sheet  
Capital Projects Funds

June 30, 2003

	Permanent Improvement	Capital Building	SchoolNet Plus	SchoolNet Power-Up	Total Non-major Capital Projects Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 2,703,872	\$ 53	\$ 1,474	\$ -	\$ 2,705,399
Total Assets and Other Debits	<u>2,703,872</u>	<u>53</u>	<u>1,474</u>	<u>-</u>	<u>2,705,399</u>
Liabilities:					
Accounts Payable	35,631	-	25	-	35,656
Intergovernmental Payable	-	-	14	-	14
Total Liabilities	<u>35,631</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>35,670</u>
Fund Balance:					
Reserved for Encumbrances	63,533	-	13	-	63,546
Unreserved: Undesignated	<u>2,604,708</u>	<u>53</u>	<u>1,422</u>	<u>-</u>	<u>2,606,183</u>
Total Fund Balance	<u>2,668,241</u>	<u>53</u>	<u>1,435</u>	<u>-</u>	<u>2,669,729</u>
Total Liabilities and Fund Balance	<u>\$ 2,703,872</u>	<u>\$ 53</u>	<u>\$ 1,474</u>	<u>\$ -</u>	<u>\$ 2,705,399</u>

**Elyria City School District**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Capital Projects Funds

For the Year Ended June 30, 2003

	<u>Permanent Improvement</u>	<u>Capital Building</u>	<u>SchoolNet Plus</u>	<u>SchoolNet Power-Up</u>	<u>Total Non-major Capital Projects Funds</u>
Expenditures:					
Current:					
Instruction:					
Regular	\$ 253,424	\$ -	\$ 2,200	\$ -	\$ 255,624
Support Services:					
Operation and Maintenance of Plant	79,176	-	-	-	79,176
Central	104,849	-	128,499	-	233,348
Capital Outlay	<u>386,838</u>	<u>1,179</u>	<u>-</u>	<u>1</u>	<u>388,018</u>
Total Expenditures	<u>824,287</u>	<u>1,179</u>	<u>130,699</u>	<u>1</u>	<u>956,166</u>
Excess of Revenues Over (Under) Expenditures	(824,287)	(1,179)	(130,699)	(1)	(956,166)
Other Financing Sources (Uses):					
Transfers In	<u>685,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>685,876</u>
Total Other Financing Sources (Uses)	<u>685,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>685,876</u>
Net Changes in Fund Balances	(138,411)	(1,179)	(130,699)	(1)	(270,290)
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 20)	<u>2,806,652</u>	<u>1,232</u>	<u>132,134</u>	<u>1</u>	<u>2,940,019</u>
Fund Balance (Deficit) at the End of Year	<u>\$ 2,668,241</u>	<u>\$ 53</u>	<u>\$ 1,435</u>	<u>\$ -</u>	<u>\$ 2,669,729</u>

**Elyria City School District**

Combining Statement of Change in Assets and Liabilities  
Agency Fund

For the Year Ended June 30, 2003

	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2003</u>
<b>Student Activities</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 222,920	425,784	(450,930)	\$ 197,774
<b>Total Assets</b>	<u>\$ 222,920</u>	<u>425,784</u>	<u>(450,930)</u>	<u>\$ 197,774</u>
<b>Liabilities:</b>				
Intergovernmental Payable	\$ 3,270	-	(3,270)	\$ -
Due to Students	219,650	425,784	(447,660)	197,774
<b>Total Liabilities</b>	<u>\$ 222,920</u>	<u>425,784</u>	<u>(450,930)</u>	<u>\$ 197,774</u>

**Elyria City School District**

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

**This page intentionally left blank.**



**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Special Trust Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Miscellaneous	\$ 85,925	\$ 85,925	\$ 101,680	\$ 15,755
Total Revenues	85,925	85,925	101,680	15,755
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	43,998	81,541	42,016	39,525
Support Services:				
Instructional Support	32,073	59,440	57,249	2,191
Central	1,394	2,790	374	2,416
Total Expenditures	<u>77,465</u>	<u>143,771</u>	<u>99,639</u>	<u>44,132</u>
Net Change in Fund Balance	8,460	(57,846)	2,041	59,887
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	45,229	45,229	45,229	-
Prior year encumbrances appropriated	<u>678</u>	<u>678</u>	<u>678</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 54,367</u>	<u>\$ (11,939)</u>	<u>\$ 47,948</u>	<u>\$ 59,887</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Uniform School Supplies Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget Over/ (Under)
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Classroom Materials and Fees	\$ 276,991	\$ 276,991	\$ 267,799	\$ (9,192)
Total Revenues	276,991	276,991	267,799	(9,192)
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	543,429	573,229	283,129	290,100
Special	39,082	41,225	26,745	14,480
Total Expenditures	582,511	614,454	309,874	304,580
Net Change in Fund Balance	(305,520)	(337,463)	(42,075)	295,388
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	350,824	350,824	350,824	-
Prior year encumbrances appropriated	44,909	44,909	44,909	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 90,213</u>	<u>\$ 58,270</u>	<u>\$ 353,658</u>	<u>\$ 295,388</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Rotary Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Miscellaneous	\$ 5,484	\$ 5,848	\$ 5,654	\$ (194)
Total Revenues	5,484	5,848	5,654	(194)
<i><u>Expenditures:</u></i>				
Instruction:				
Adult	2,799	2,953	2,948	5
Operation of Non-Instructional Services	2,492	3,684	1,334	2,350
Total Expenditures	5,291	6,637	4,282	2,355
Net Change in Fund Balance	193	(789)	1,372	2,161
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	1,156	1,156	1,156	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 1,349</u>	<u>\$ 367</u>	<u>\$ 2,528</u>	<u>\$ 2,161</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Public School Support Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Extracurricular Activities	\$ 53,325	\$ 59,273	\$ 54,458	\$ (4,815)
Miscellaneous	144,307	160,402	147,372	(13,030)
Total Revenues	197,632	219,675	201,830	(17,845)
<i><u>Expenditures:</u></i>				
Support Services:				
Central	242	242	242	-
Extracurricular Activities	320,780	366,822	302,809	64,013
Total Expenditures	321,022	367,064	303,051	64,013
Net Change in Fund Balance	(123,390)	(147,389)	(101,221)	46,168
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	195,743	195,743	195,743	-
Prior year encumbrances appropriated	37,881	37,881	37,881	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 110,234</u>	<u>\$ 86,235</u>	<u>\$ 132,403</u>	<u>\$ 46,168</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Local Grants Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Miscellaneous	\$ 108,714	\$ 120,839	\$ 111,023	\$ (9,816)
Total Revenues	108,714	120,839	111,023	(9,816)
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	11,368	13,000	2,149	10,851
Support Services:				
Pupils	52,918	60,513	27,579	32,934
Instructional Support	39,352	45,000	5,423	39,577
Extracurricular Activities	59,546	68,093	28,678	39,415
Total Expenditures	163,184	186,606	63,829	122,777
Net Change in Fund Balance	(54,470)	(65,767)	47,194	112,961
Fund Balance/(Deficit) at the Beginning of Year	57,492	57,492	57,492	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 3,022</u>	<u>\$ (8,275)</u>	<u>\$ 104,686</u>	<u>\$ 112,961</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Venture Capital Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i>Expenditures:</i>				
Support Services:				
Instructional Support	\$ 523	\$ 598	\$ 598	\$ -
Total Expenditures	<u>523</u>	<u>598</u>	<u>598</u>	<u>-</u>
Net Change in Fund Balance	(523)	(598)	(598)	-
Fund Balance/(Deficit) at the Beginning of Year	<u>598</u>	<u>598</u>	<u>598</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Athletics Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Extracurricular Activities	\$ 138,988	\$ 154,490	\$ 141,940	\$ (12,550)
Miscellaneous	67,428	74,948	68,860	(6,088)
Total Revenues	206,416	229,438	210,800	(18,638)
<i><u>Expenditures:</u></i>				
Support Services:				
Fiscal	27,160	31,058	31,058	-
Extracurricular Activities	236,175	270,073	185,267	84,806
Total Expenditures	263,335	301,131	216,325	84,806
Excess of Revenues Over/ (Under) Expenditures	(56,919)	(71,693)	(5,525)	66,168
<i><u>Other Financing Sources/(Uses):</u></i>				
Refund of Prior Year Expenditures	35	35	35	-
Total Other Financing Sources/(Uses)	35	35	35	-
Net Change in Fund Balance	(56,884)	(71,658)	(5,490)	66,168
Fund Balance/(Deficit) at the Beginning of Year	128,204	128,204	128,204	-
Prior year encumbrances appropriated	8,523	8,523	8,523	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 79,843</u>	<u>\$ 65,069</u>	<u>\$ 131,237</u>	<u>\$ 66,168</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Auxiliary Services Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 1,043,833	\$ 1,160,254	\$ 1,066,004	\$ (94,250)
Interest	4,146	4,608	4,234	(374)
Total Revenues	1,047,979	1,164,862	1,070,238	(94,624)
<i><u>Expenditures:</u></i>				
Operation of Non-Instructional Services	1,187,717	1,358,191	1,348,591	9,600
Total Expenditures	1,187,717	1,358,191	1,348,591	9,600
Net Change in Fund Balance	(139,738)	(193,329)	(278,353)	(85,024)
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	(1,422)	(1,422)	(1,422)	-
Prior year encumbrances appropriated	289,976	289,976	289,976	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 148,816</u>	<u>\$ 95,225</u>	<u>\$ 10,201</u>	<u>\$ (85,024)</u>



**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Teacher Development Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Expenditures:</u></i>				
Support Services:				
Instructional Support	\$ 5,326	\$ 6,090	\$ 6,090	\$ -
Total Expenditures	<u>5,326</u>	<u>6,090</u>	<u>6,090</u>	<u>-</u>
Net Change in Fund Balance	(5,326)	(6,090)	(6,090)	-
Fund Balance/(Deficit) at the Beginning of Year	1,946	1,946	1,946	-
Prior year encumbrances appropriated	<u>4,144</u>	<u>4,144</u>	<u>4,144</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Education Management Information Systems Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 29,715	\$ 33,029	\$ 30,346	\$ (2,683)
Total Revenues	29,715	33,029	30,346	(2,683)
<i><u>Expenditures:</u></i>				
Support Services:				
Central	<u>59,154</u>	<u>67,644</u>	<u>33,082</u>	<u>34,562</u>
Total Expenditures	<u>59,154</u>	<u>67,644</u>	<u>33,082</u>	<u>34,562</u>
Net Change in Fund Balance	(29,439)	(34,615)	(2,736)	31,879
Fund Balance/(Deficit) at the Beginning of Year	6,225	6,225	6,225	-
Prior year encumbrances appropriated	<u>31,073</u>	<u>31,073</u>	<u>31,073</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 7,859</u>	<u>\$ 2,683</u>	<u>\$ 34,562</u>	<u>\$ 31,879</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Public School Preschool Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 80,416	\$ 89,385	\$ 82,124	\$ (7,261)
Total Revenues	80,416	89,385	82,124	(7,261)
<i><u>Expenditures:</u></i>				
Instruction:				
Special	44,730	51,150	51,150	-
Support Services:				
Instructional Support	19,075	21,813	21,813	-
Administration	6,274	7,175	7,175	-
Fiscal	2,186	2,500	2,500	-
Total Expenditures	72,265	82,638	82,638	-
Excess of Revenues Over/ (Under) Expenditures	8,151	6,747	(514)	(7,261)
<i><u>Other Financing Sources/(Uses):</u></i>				
Transfer Out	(7,787)	(7,787)	(7,787)	-
Total Other Financing Sources/(Uses)	(7,787)	(7,787)	(7,787)	-
Net Change in Fund Balance	364	(1,040)	(8,301)	(7,261)
Fund Balance/(Deficit) at the Beginning of Year	8,301	8,301	8,301	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 8,665</u>	<u>\$ 7,261</u>	<u>\$ -</u>	<u>\$ (7,261)</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Disadvantaged Pupil Impact Aid Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 1,691,279	\$ 1,879,912	\$ 1,727,202	\$ (152,710)
Total Revenues	1,691,279	1,879,912	1,727,202	(152,710)
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	1,122,111	1,283,169	1,283,169	-
Support Services:				
Pupils	251,982	288,149	288,149	-
Instructional Support	107,251	122,645	122,645	-
Administration	112,392	128,524	128,524	-
Total Expenditures	1,593,736	1,822,487	1,822,487	-
Net Change in Fund Balance	97,543	57,425	(95,285)	(152,710)
Fund Balance/(Deficit) at the Beginning of Year	93,685	93,685	93,685	-
Prior year encumbrances appropriated	1,600	1,600	1,600	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 192,828</u>	<u>\$ 152,710</u>	<u>\$ -</u>	<u>\$ (152,710)</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Data Communication Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i>Revenue:</i>				
Intergovernmental	\$ 61,783	\$ 68,674	\$ 63,095	\$ (5,579)
Total Revenues	61,783	68,674	63,095	(5,579)
<i>Expenditures:</i>				
Support Services:				
Central	100,099	114,466	395	114,071
Total Expenditures	100,099	114,466	395	114,071
Net Change in Fund Balance	(38,316)	(45,792)	62,700	108,492
Fund Balance/(Deficit) at the Beginning of Year. Restated (See Note 19)	54,489	54,489	54,489	-
Prior year encumbrances appropriated	427	427	427	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 16,600</u>	<u>\$ 9,124</u>	<u>\$ 117,616</u>	<u>\$ 108,492</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 SchoolNet Equipment/Infrastructure Fund  
 For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with
	Original	Final		Final Budget Over/ (Under)
<u>Revenue:</u>				
Intergovernmental	\$ 10,722	\$ 11,918	\$ 10,950	\$ (968)
Total Revenues	10,722	11,918	10,950	(968)
<u>Expenditures:</u>				
Support Services:				
Central	7,931	9,069	8,953	116
Total Expenditures	7,931	9,069	8,953	116
Net Change in Fund Balance	2,791	2,849	1,997	(852)
Fund Balance/(Deficit) at the Beginning of Year. Restated (See Note 19)	5,619	5,619	5,619	-
Fund Balance/(Deficit) at the End of Year	\$ 8,410	\$ 8,468	\$ 7,616	\$ (852)

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Ohio Reads Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 212,976	\$ 236,730	\$ 217,500	\$ (19,230)
Total Revenues	212,976	236,730	217,500	(19,230)
<i><u>Expenditures:</u></i>				
Instruction:				
Special	117,551	134,423	134,413	10
Support Services:				
Instructional Support	<u>136,721</u>	<u>156,345</u>	<u>156,345</u>	<u>-</u>
Total Expenditures	<u>254,272</u>	<u>290,768</u>	<u>290,758</u>	<u>10</u>
Net Change in Fund Balance	(41,296)	(54,038)	(73,258)	(19,220)
Fund Balance/(Deficit) at the Beginning of Year	23,611	23,611	23,611	-
Prior year encumbrances appropriated	<u>49,659</u>	<u>49,659</u>	<u>49,659</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 31,974</u>	<u>\$ 19,232</u>	<u>\$ 12</u>	<u>\$ (19,220)</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Summer School Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures:</u>				
Instruction:				
Regular	\$ 84,827	\$ 97,002	\$ 59,409	\$ 37,593
Total Expenditures	<u>84,827</u>	<u>97,002</u>	<u>59,409</u>	<u>37,593</u>
Net Change in Fund Balance	(84,827)	(97,002)	(59,409)	37,593
Fund Balance/(Deficit) at the Beginning of Year	<u>97,002</u>	<u>97,002</u>	<u>97,002</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 12,175</u>	<u>\$ -</u>	<u>\$ 37,593</u>	<u>\$ 37,593</u>



**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Family/Children First Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures:</u>				
Operation of Non-Instructional Services	\$ 430	\$ 492	\$ 492	\$ -
Total Expenditures	<u>430</u>	<u>492</u>	<u>492</u>	<u>-</u>
Net Change in Fund Balance	(430)	(492)	(492)	-
Fund Balance/(Deficit) at the Beginning of Year	<u>492</u>	<u>492</u>	<u>492</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Alternative School Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 233,777	\$ 259,850	\$ 238,742	\$ (21,108)
Total Revenues	233,777	259,850	238,742	(21,108)
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	147,042	168,147	168,145	2
Support Services:				
Pupils	2,016	2,305	2,305	-
Instructional Support	66,057	75,538	75,538	-
Administration	70,782	80,941	80,941	-
Operation and Maintenance of Plant	445	509	509	-
Total Expenditures	286,342	327,440	327,438	2
Net Change in Fund Balance	(52,565)	(67,590)	(88,696)	(21,106)
Fund Balance/(Deficit) at the Beginning of Year	68,593	68,593	68,593	-
Prior year encumbrances appropriated	20,103	20,103	20,103	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 36,131</u>	<u>\$ 21,106</u>	<u>\$ -</u>	<u>\$ (21,106)</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Extended Learning Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures:</u>				
Instruction:				
Special	\$ 13,406	\$ 15,330	\$ 15,330	\$ -
Total Expenditures	<u>13,406</u>	<u>15,330</u>	<u>15,330</u>	<u>-</u>
Net Change in Fund Balance	(13,406)	(15,330)	(15,330)	-
Fund Balance/(Deficit) at the Beginning of Year	<u>15,330</u>	<u>15,330</u>	<u>15,330</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 1,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Miscellaneous State Grants Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 79,905	\$ 88,817	\$ 81,602	\$ (7,215)
Total Revenues	79,905	88,817	81,602	(7,215)
<i><u>Expenditures:</u></i>				
Instruction:				
Special	6,783	7,756	7,756	-
Support Services:				
Pupils	58,828	67,272	67,075	197
Instructional Support	26,874	30,731	15,855	14,876
Total Expenditures	92,485	105,759	90,686	15,073
Excess of Revenues Over/ (Under) Expenditures	(12,580)	(16,942)	(9,084)	7,858
<i><u>Other Financing Sources/(Uses):</u></i>				
Refund of Prior Year Receipts	(2,244)	(2,244)	(2,244)	-
Advance Out	(536)	(536)	(536)	-
Total Other Financing Sources/(Uses)	(2,780)	(2,780)	(2,780)	-
Net Change in Fund Balance	(15,360)	(19,722)	(11,864)	7,858
Fund Balance/(Deficit) at the Beginning of Year	19,665	19,665	19,665	-
Prior year encumbrances appropriated	7,272	7,272	7,272	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 11,577</u>	<u>\$ 7,215</u>	<u>\$ 15,073</u>	<u>\$ 7,858</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Adult Basic Education Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 167,635	\$ 186,332	\$ 171,196	\$ (15,136)
Total Revenues	167,635	186,332	171,196	(15,136)
<i><u>Expenditures:</u></i>				
Instruction:				
Adult	72,728	83,167	66,504	16,663
Support Services:				
Instructional Support	88,883	101,640	87,638	14,002
Administration	3,187	3,644	3,291	353
Operation and Maintenance of Plant	1,749	2,000	2,000	-
Total Expenditures	166,547	190,451	159,433	31,018
Net Change in Fund Balance	1,088	(4,119)	11,763	15,882
Fund Balance/(Deficit) at the Beginning of Year	16,534	16,534	16,534	-
Prior year encumbrances appropriated	2,720	2,720	2,720	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 20,342</u>	<u>\$ 15,135</u>	<u>\$ 31,017</u>	<u>\$ 15,882</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Eisenhower Math and Science Grant Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Expenditures:</u></i>				
Support Services:				
Instructional Support	\$ 28,857	\$ 32,999	\$ 32,999	\$ -
Total Expenditures	<u>28,857</u>	<u>32,999</u>	<u>32,999</u>	<u>-</u>
Excess of Revenues Over/ (Under) Expenditures	(28,857)	(32,999)	(32,999)	-
<i><u>Other Financing Sources/(Uses):</u></i>				
Transfer Out	<u>(7,326)</u>	<u>(7,326)</u>	<u>(7,326)</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>(7,326)</u>	<u>(7,326)</u>	<u>(7,326)</u>	<u>-</u>
Net Change in Fund Balance	(36,183)	(40,325)	(40,325)	-
Fund Balance/(Deficit) at the Beginning of Year	36,172	36,172	36,172	-
Prior year encumbrances appropriated	<u>4,153</u>	<u>4,153</u>	<u>4,153</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 4,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Title VI-B Special Education Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 941,341	\$ 1,046,331	\$ 961,335	\$ (84,996)
Total Revenues	941,341	1,046,331	961,335	(84,996)
<i><u>Expenditures:</u></i>				
Instruction:				
Special	217,364	248,562	248,452	110
Support Services:				
Pupils	225,715	258,112	236,242	21,870
Instructional Support	566,843	648,203	562,981	85,222
Administration	98,369	112,488	104,734	7,754
Operation and Maintenance of Plant	2,871	3,283	3,255	28
Operation of Non-Instructional Services	64,073	73,270	67,006	6,264
Total Expenditures	1,175,235	1,343,918	1,222,670	121,248
Excess of Revenues Over/ (Under) Expenditures	(233,894)	(297,587)	(261,335)	36,252
<i><u>Other Financing Sources/(Uses):</u></i>				
Refund of Prior Year Receipts	(4)	(4)	(4)	-
Total Other Financing Sources/(Uses)	(4)	(4)	(4)	-
Net Change in Fund Balance	(233,898)	(297,591)	(261,339)	36,252
Fund Balance/(Deficit) at the Beginning of Year	166,277	166,277	166,277	-
Prior year encumbrances appropriated	40,730	40,730	40,730	-
Fund Balance/(Deficit) at the End of Year	<u>\$ (26,891)</u>	<u>\$ (90,584)</u>	<u>\$ (54,332)</u>	<u>\$ 36,252</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Title I Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 2,375,763	\$ 2,640,738	\$ 2,426,224	\$ (214,514)
Total Revenues	2,375,763	2,640,738	2,426,224	(214,514)
<i><u>Expenditures:</u></i>				
Instruction:				
Special	1,640,936	1,876,461	1,795,332	81,129
Support Services:				
Instructional Support	754,631	862,944	824,025	38,919
Administration	168,266	192,417	136,968	55,449
Pupil Transportation	64,263	73,487	60,492	12,995
Operation of Non-Instructional Services	17,860	20,423	20,312	111
Total Expenditures	2,645,956	3,025,732	2,837,129	188,603
Net Change in Fund Balance	(270,193)	(384,994)	(410,905)	(25,911)
Fund Balance/(Deficit) at the Beginning of Year	384,852	384,852	384,852	-
Prior year encumbrances appropriated	214,656	214,656	214,656	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 329,315</u>	<u>\$ 214,514</u>	<u>\$ 188,603</u>	<u>\$ (25,911)</u>



**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Title VI Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with Final Budget Over/ (Under)
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 55,001	\$ 61,135	\$ 56,169	\$ (4,966)
Total Revenues	55,001	61,135	56,169	(4,966)
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	9,662	11,049	143	10,906
Special	812	929	929	-
Support Services:				
Instructional Support	58,112	66,453	54,736	11,717
Administration	3,132	3,582	3,582	-
Operation of Non-Instructional Services	<u>9,365</u>	<u>11,018</u>	<u>8,156</u>	<u>2,862</u>
Total Expenditures	<u>81,083</u>	<u>93,031</u>	<u>67,546</u>	<u>25,485</u>
Net Change in Fund Balance	(26,082)	(31,896)	(11,377)	20,519
Fund Balance/(Deficit) at the Beginning of Year	9,933	9,933	9,933	-
Prior year encumbrances appropriated	<u>26,928</u>	<u>26,928</u>	<u>26,928</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 10,779</u>	<u>\$ 4,965</u>	<u>\$ 25,484</u>	<u>\$ 20,519</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Drug-free School Grants Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 74,012	\$ 82,264	\$ 75,584	\$ (6,680)
Total Revenues	74,012	82,264	75,584	(6,680)
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	1,271	1,453	1,350	103
Support Services:				
Pupils	77,562	88,694	88,348	346
Pupil Transportation	1,500	1,715	1,435	280
Operation of Non-Instructional Services	<u>23</u>	<u>26</u>	<u>26</u>	<u>-</u>
Total Expenditures	<u>80,356</u>	<u>91,888</u>	<u>91,159</u>	<u>729</u>
Net Change in Fund Balance	(6,344)	(9,624)	(15,575)	(5,951)
Fund Balance/(Deficit) at the Beginning of Year	14,913	14,913	14,913	-
Prior year encumbrances appropriated	<u>498</u>	<u>498</u>	<u>498</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 9,067</u>	<u>\$ 5,787</u>	<u>\$ (164)</u>	<u>\$ (5,951)</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Preschool Handicapped Grant Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over/ (Under)
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 67,241	\$ 74,740	\$ 68,669	\$ (6,071)
Total Revenues	67,241	74,740	68,669	(6,071)
<i><u>Expenditures:</u></i>				
Support Services:				
Instructional Support	21,824	24,956	23,846	1,110
Administration	38,011	43,467	42,060	1,407
Total Expenditures	59,835	68,423	65,906	2,517
Excess of Revenues Over/ (Under) Expenditures	7,406	6,317	2,763	(3,554)
<i><u>Other Financing Sources/(Uses):</u></i>				
Refund of Prior Year Receipts	(106)	(106)	-	106
Advance Out	(254)	(254)	(254)	-
Total Other Financing Sources/(Uses)	(360)	(360)	(254)	106
Net Change in Fund Balance	7,046	5,957	2,509	(3,448)
Fund Balance/(Deficit) at the Beginning of Year	(106)	(106)	(106)	-
Prior year encumbrances appropriated	219	219	219	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 7,159</u>	<u>\$ 6,070</u>	<u>\$ 2,622</u>	<u>\$ (3,448)</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Continuous Improvement Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 146,880	\$ 163,262	\$ 150,000	\$ (13,262)
Total Revenues	146,880	163,262	150,000	(13,262)
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	6,312	7,218	7,218	-
Special	401	458	458	-
Support Services:				
Instructional Support	151,698	173,471	128,505	44,966
Total Expenditures	158,411	181,147	136,181	44,966
Excess of Revenues Over/ (Under) Expenditures	(11,531)	(17,885)	13,819	31,704
<i><u>Other Financing Sources/(Uses):</u></i>				
Refund of Prior Year Receipts	(30)	(30)	(30)	-
Total Other Financing Sources/(Uses)	(30)	(30)	(30)	-
Net Change in Fund Balance	(11,561)	(17,915)	13,789	31,704
Fund Balance/(Deficit) at the Beginning of Year	24,098	24,098	24,098	-
Prior year encumbrances appropriated	7,080	7,080	7,080	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 19,617</u>	<u>\$ 13,263</u>	<u>\$ 44,967</u>	<u>\$ 31,704</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Class Size Reduction Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over/ (Under)
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 547,688	\$ 608,773	\$ 559,321	\$ (49,452)
Total Revenues	547,688	608,773	559,321	(49,452)
<i><u>Expenditures:</u></i>				
Instruction:				
Special	450,221	514,842	502,940	11,902
Support Services:				
Instructional Support	14,190	16,227	-	16,227
Total Expenditures	464,411	531,069	502,940	28,129
Excess of Revenues Over/ (Under) Expenditures	83,277	77,704	56,381	(21,323)
<i><u>Other Financing Sources/(Uses):</u></i>				
Advance Out	(35,578)	(35,578)	(35,578)	-
Transfer In	7,236	7,326	7,326	-
Total Other Financing Sources/(Uses)	(28,342)	(28,252)	(28,252)	-
Net Change in Fund Balance	54,935	49,452	28,129	(21,323)
Fund Balance/(Deficit) at the Beginning of Year	-	-	-	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 54,935</u>	<u>\$ 49,452</u>	<u>\$ 28,129</u>	<u>\$ (21,323)</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Miscellaneous Federal Grants Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Over/ (Under)
<i><u>Revenue:</u></i>				
Intergovernmental	\$ 404,958	\$ 450,124	\$ 413,559	\$ (36,565)
Total Revenues	404,958	450,124	413,559	(36,565)
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	2,692	3,078	3,078	-
Special	1,709	1,954	1,954	-
Support Services:				
Pupils	465,757	532,608	522,567	10,041
Instructional Support	46,431	53,095	49,775	3,320
Administration	6,996	8,000	7,982	18
Total Expenditures	523,585	598,735	585,356	13,379
Excess of Revenues Over/ (Under) Expenditures	(118,627)	(148,611)	(171,797)	(23,186)
<i><u>Other Financing Sources/(Uses):</u></i>				
Refund of Prior Year Receipts	(9)	(9)	(9)	-
Total Other Financing Sources/(Uses)	(9)	(9)	(9)	-
Net Change in Fund Balance	(118,636)	(148,620)	(171,806)	(23,186)
Fund Balance/(Deficit) at the Beginning of Year	167,617	167,617	167,617	-
Prior year encumbrances appropriated	20,088	20,088	20,088	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 69,069</u>	<u>\$ 39,085</u>	<u>\$ 15,899</u>	<u>\$ (23,186)</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Bond Retirement Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Revenue:</u></i>				
Taxes	\$ 405,998	\$ 405,998	\$ 283,718	\$ (122,280)
Intergovernmental	5,000	5,000	28,822	23,822
Total Revenues	410,998	410,998	312,540	(98,458)
<i><u>Expenditures:</u></i>				
Support Services:				
Fiscal	36,520	5,980	4,479	1,501
Debt Service:				
Principal payments	310,000	310,000	310,000	-
Interest and fiscal charges	73,480	73,480	73,480	-
Total Expenditures	420,000	389,460	387,959	1,501
Net Change in Fund Balance	(9,002)	21,538	(75,419)	(96,957)
Fund Balance/(Deficit) at the Beginning of Year	809,818	809,818	809,818	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 800,816</u>	<u>\$ 831,356</u>	<u>\$ 734,399</u>	<u>\$ (96,957)</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Permanent Improvement Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<i><u>Expenditures:</u></i>				
Instruction:				
Regular	\$ 369,232	\$ 331,320	\$ 263,285	\$ 68,035
Support Services:				
Operation and Maintenance of Plant	91,404	82,019	79,176	2,843
Central	139,304	125,000	120,965	4,035
Capital Outlay	<u>766,744</u>	<u>688,015</u>	<u>431,523</u>	<u>256,492</u>
Total Expenditures	<u>1,366,684</u>	<u>1,226,354</u>	<u>894,949</u>	<u>331,405</u>
Excess of Revenues Over/ (Under) Expenditures	(1,366,684)	(1,226,354)	(894,949)	331,405
<i><u>Other Financing Sources/(Uses):</u></i>				
Transfer In	<u>750,000</u>	<u>750,000</u>	<u>685,876</u>	<u>(64,124)</u>
Total Other Financing Sources/(Uses)	<u>750,000</u>	<u>750,000</u>	<u>685,876</u>	<u>(64,124)</u>
Net Change in Fund Balance	(616,684)	(476,354)	(209,073)	267,281
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	2,703,869	2,703,869	2,703,869	-
Prior year encumbrances appropriated	<u>109,909</u>	<u>109,909</u>	<u>109,909</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 2,197,094</u>	<u>\$ 2,337,424</u>	<u>\$ 2,604,705</u>	<u>\$ 267,281</u>



**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Capital Building Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures:</u>				
Capital Outlay	\$ 1,179	\$ 1,179	\$ 1,179	\$ -
Total Expenditures	<u>1,179</u>	<u>1,179</u>	<u>1,179</u>	<u>-</u>
Net Change in Fund Balance	(1,179)	(1,179)	(1,179)	-
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	<u>1,232</u>	<u>1,232</u>	<u>1,232</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ 53</u>	<u>\$ -</u>

**Elyria City School District**  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 School Net Plus Fund  
 For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures:</u>				
Instruction:				
Regular	\$ 2,200	\$ 2,200	\$ 2,200	\$ -
Support Services:				
Central	<u>129,937</u>	<u>129,937</u>	<u>128,497</u>	<u>1,440</u>
Total Expenditures	<u>132,137</u>	<u>132,137</u>	<u>130,697</u>	<u>1,440</u>
Net Change in Fund Balance	(132,137)	(132,137)	(130,697)	1,440
Fund Balance/(Deficit) at the Beginning of Year	128,347	128,347	128,347	-
Prior year encumbrances appropriated	<u>3,790</u>	<u>3,790</u>	<u>3,790</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,440</u></u>	<u><u>\$ 1,440</u></u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Lunchroom/Cafeteria Fund  
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Under/ (Over)
	Original	Final		
<b>Operating Revenues:</b>				
Food Services	\$ 869,342	\$ 869,342	\$ 840,491	\$ (28,851)
<i>Total Operating Revenues</i>	<u>869,342</u>	<u>869,342</u>	<u>840,491</u>	<u>(28,851)</u>
<b>Operating Expenses:</b>				
Salaries	720,419	759,925	759,925	-
Fringe Benefits	301,829	318,381	318,381	-
Purchase Services	1,079,846	1,139,062	1,139,062	-
Supplies and Materials	85,679	90,377	90,377	-
Capital Outlay - New	724	764	764	-
<i>Total Operating Expenses</i>	<u>2,188,497</u>	<u>2,308,509</u>	<u>2,308,509</u>	<u>-</u>
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	(1,319,155)	(1,439,167)	(1,468,018)	(28,851)
<b>Non-Operating Revenues/(Expenses):</b>				
Intergovernmental Revenues	1,296,114	1,296,114	1,476,062	179,948
Interest	500	500	483	(17)
Transfers In	147,605	147,605	147,605	-
<i>Total Other Financing Sources (Uses)</i>	<u>1,444,219</u>	<u>1,444,219</u>	<u>1,624,150</u>	<u>179,931</u>
Net Change in Fund Balance	125,064	5,052	156,132	151,080
Fund Balance (Deficit) at The Beginning of Year	43,295	43,295	43,295	-
Prior Year Encumbrances Appropriated	23,883	23,883	23,883	-
Fund Balance (Deficit) at The End of Year	<u>\$ 192,242</u>	<u>\$ 72,230</u>	<u>\$ 223,310</u>	<u>\$ 151,080</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Self-Insurance Fund  
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance with Final Budget Under/ (Over)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating Revenues:</b>				
Charges for Services	\$ 4,839,394	\$ 4,839,394	\$ 5,638,205	\$ 798,811
<i>Total Operating Revenues</i>	<u>4,839,394</u>	<u>4,839,394</u>	<u>5,638,205</u>	<u>798,811</u>
<b>Operating Expenses:</b>				
Fringe Benefits	216,689	245,313	245,313	-
Purchase Services	5,496,929	6,223,052	6,223,052	-
<i>Total Operating Expenses</i>	<u>5,744,171</u>	<u>6,502,954</u>	<u>6,502,954</u>	<u>-</u>
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	(904,777)	(1,663,560)	(864,749)	798,811
<b>Non-Operating Revenues/(Expenses):</b>				
Interest	60,651	60,651	70,662	10,011
<i>Total Other Financing Sources (Uses)</i>	<u>60,651</u>	<u>60,651</u>	<u>70,662</u>	<u>10,011</u>
Net Change in Fund Balance	(844,126)	(1,602,909)	(794,087)	808,822
Fund Balance (Deficit) at The Beginning of Year	<u>4,119,410</u>	<u>4,119,410</u>	<u>4,119,410</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u>\$ 3,275,284</u>	<u>\$ 2,516,501</u>	<u>\$ 3,325,323</u>	<u>\$ 808,822</u>

**Elyria City School District**  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Scholarship Trust Fund  
For the Fiscal Year Ended June 30, 2003

	Budgeted Amount		Actual	Variance with Final Budget Under/ (Over)
	Original	Final		
<b>Operating Revenues:</b>				
Interest	\$ 326	\$ 326	\$ 387	\$ 61
Other Operating Revenues	52,238	52,238	61,816	9,578
<i>Total Operating Revenues</i>	52,564	52,564	62,203	9,639
<b>Operating Expenses:</b>				
Other	2,294	4,250	4,250	-
<i>Total Operating Expenses</i>	2,294	4,250	4,250	-
Net Change in Fund Balance	50,270	48,314	57,953	9,639
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 19)	178,040	178,040	178,040	-
Fund Balance (Deficit) at The End of Year	<u>\$ 228,310</u>	<u>\$ 226,354</u>	<u>\$ 235,993</u>	<u>\$ 9,639</u>

**This page intentionally left blank.**

# The Elyria Schools



STATISTICAL SECTION





**This page intentionally left blank.**

Elyria City School District  
 General Governmental  
 Revenue by Source and Expenses/Expenditures by Function  
 Last Ten Fiscal Years

	2003			
	(1)	(1)	(2)	(2)
	Full Accrual	Modified Accrual	2002	2001
<b>Program Revenues</b>				
Charges for Services	\$ 1,785,232	N/A	N/A	N/A
Operating Grants and Contributions	4,445,578	N/A	N/A	N/A
Capital Grants and Contribution	70,595	N/A	N/A	N/A
<b>General Revenues</b>				
Taxes	34,640,570	\$ 32,312,688	\$ 29,655,884	\$ 31,252,267
Intergovernmental	32,727,126	37,609,121	36,946,384	34,808,208
Interest	506,654	436,535	653,478	1,211,225
Tuition and Fees	-	1,367,169	1,638,535	1,918,851
Classroom Materials and Fees	-	261,887	-	-
Extracurricular Activities	-	208,441	193,492	201,580
Proceeds from Sale of Note	-	-	-	-
Inception of Capital Lease	-	-	-	-
Donations and Other	-	-	481,182	1,139,690
Gain on Sales of Capital Asset	-	-	2,377	35,416
Miscellaneous	1,572,814	1,217,433	-	-
Transfer In	-	727,713	290,701	88
<b>Total</b>	<b>\$ 75,748,569</b>	<b>\$ 74,140,987</b>	<b>\$ 69,862,033</b>	<b>\$ 70,567,325</b>
<b>Expenses/Expenditures</b>				
Instructional	\$ 43,520,559	\$ 41,493,811	\$ 38,657,036	\$ 38,081,756
Supporting Services	29,179,450	27,746,631	25,691,499	24,305,701
Operation of Non-Instructional Service	1,712,503	1,724,033	1,571,813	1,468,529
Extracurricular Activities	1,495,087	1,366,050	1,201,579	1,115,505
Capital Outlay	-	391,273	500,682	962,386
Debt Service	81,549	449,709	390,640	381,321
Transfer Out	147,605	875,318	228,201	88
Other Uses	-	-	-	-
<b>Total</b>	<b>\$ 76,136,753</b>	<b>\$ 74,046,825</b>	<b>\$ 68,241,450</b>	<b>\$ 66,315,286</b>

Source: School District Financial Records

(1) Includes governmental funds for modified accrual and all governmental activities for full accrual.

(2) Includes general, special revenue, debt service, capital projects, and expendable trust funds.

	(2) 2000	(2) 1999	(2) 1998	(2) 1997	(2) 1996	(2) 1995	(2) 1994
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
\$	29,774,804	\$ 25,873,342	\$ 25,335,237	\$ 25,856,102	\$ 26,272,958	\$ 17,920,621	\$ 24,938,960
	32,210,002	32,244,776	27,106,823	26,438,516	26,728,734	19,881,197	25,780,128
	818,430	810,087	629,061	675,819	472,356	346,693	176,420
	771,872	421,849	1,709,960	1,300,909	1,716,624	647,956	2,134,241
	-	-	-	-	-	-	-
	170,981	191,517	206,711	257,420	272,531	991,616	-
	-	-	1,500,000	-	-	-	-
	-	-	322,461	-	-	-	-
	803,013	695,969	1,028,563	1,140,705	599,854	355,836	625,010
	423,362	358,082	22,298	4,005,931	174,692	8,133	22,862
	-	-	-	-	-	-	-
	109,856	-	4,376,573	1,239,088	946,227	340,810	658,622
	<u>\$ 65,082,320</u>	<u>\$ 60,595,622</u>	<u>\$ 62,237,687</u>	<u>\$ 60,914,490</u>	<u>\$ 57,183,976</u>	<u>\$ 40,492,862</u>	<u>\$ 54,336,243</u>
\$	36,764,972	\$ 33,480,478	\$ 32,812,480	\$ 31,783,307	\$ 31,755,716	\$ 30,202,691	\$ 31,067,371
	22,652,465	20,974,199	18,264,616	18,563,071	18,165,843	18,552,774	17,254,565
	1,726,576	1,680,477	2,829,073	3,014,031	1,311,127	1,371,517	343,450
	1,041,279	887,265	833,673	935,497	933,963	961,497	870,406
	1,102,042	1,132,969	736,488	1,506,794	196,616	233,374	3,891,462
	380,373	407,871	392,068	372,225	413,485	371,722	376,196
	109,856	-	4,376,573	1,239,088	2,421,705	1,673,932	801,754
	-	-	41,336	-	20,616	8,757	20,067
	<u>\$ 63,777,563</u>	<u>\$ 58,563,259</u>	<u>\$ 60,286,307</u>	<u>\$ 57,414,013</u>	<u>\$ 55,219,071</u>	<u>\$ 53,376,264</u>	<u>\$ 54,625,271</u>

Elyria City School District  
Property Tax Levies and Collections  
Last Ten Calendar Years

Tax Year	Collection Year	Total Tax Levy	Current Collection	Percent of Current Levy Collected	Delinquent Tax Collection	Total Collection	Percent of Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes To Tax Levy
2002	2003	\$ 29,540,935	\$ 29,399,440	99.5%	\$ 1,274,768	\$30,674,208	103.8%	\$ 4,172,103	14.1%
2001	2002	24,464,870	23,683,286	96.8%	591,915	24,275,201	99.2%	429,412	1.8%
2000	2001	24,150,777	23,505,881	97.3%	607,448	24,113,329	99.8%	998,726	4.1%
1999	2000	24,134,465	23,417,468	97.0%	665,700	24,083,168	99.8%	1,048,366	4.3%
1998	1999	20,804,376	20,242,177	97.3%	496,193	20,738,370	99.7%	841,979	4.0%
1997	1998	20,678,051	20,433,935	98.8%	447,839	20,881,774	101.0%	431,958	2.1%
1996	1997	20,130,549	19,674,024	97.7%	470,432	20,144,456	100.1%	647,927	3.2%
1995	1996	20,229,917	19,868,112	98.2%	555,740	20,423,852	101.0%	632,419	3.1%
1994	1995	20,320,773	19,791,897	97.4%	589,923	20,381,820	100.3%	849,912	4.2%
1993	1994	19,785,242	19,270,936	97.4%	523,282	19,794,218	100.0%	959,106	4.8%

Note: The Lorain County Treasurer collects property taxes on a calendar-year basis, therefore, the above data has been presented on a calendar-year basis.

Source: Lorain County Auditor's Office

Elyria City School District  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Calendar Years

Collection Year	Real Property		Public Utility/ Personal Property		Tangible Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value
	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	Assessed Value	Estimated Actual Value(1)	
2003	\$760,673,700	\$2,173,353,428	\$34,479,990	\$39,181,807	\$160,437,610	\$641,750,440	\$955,591,300	\$2,854,285,675	33.5%
2002	753,902,860	2,154,008,171	33,609,340	38,192,432	156,666,730	626,666,920	944,178,930	2,818,867,523	33.5
2001	751,449,050	2,146,997,286	45,315,950	51,495,398	158,244,650	632,978,600	955,009,650	2,831,471,284	33.7
2000	641,228,700	1,832,082,000	51,049,790	58,011,125	146,075,720	584,302,808	838,354,210	2,474,395,933	33.9
1999	628,641,190	1,796,117,686	52,552,350	59,718,580	145,298,703	581,194,812	826,492,243	2,437,031,078	33.9
1998	622,107,390	1,777,449,686	52,963,900	60,186,250	140,637,370	562,549,480	815,708,660	2,400,185,416	34.0
1997	536,896,990	1,533,991,400	54,728,310	62,191,261	138,145,420	552,581,680	729,770,720	2,148,764,341	34.0
1996	532,986,540	1,522,818,686	58,016,620	65,927,977	126,215,644	504,862,576	717,218,804	2,093,609,239	34.3
1995	527,893,830	1,508,268,086	60,555,640	68,813,227	120,763,838	483,055,352	709,213,308	2,060,136,665	34.5
1994	459,545,080	1,312,985,943	59,721,780	67,865,659	127,856,251	511,425,004	647,123,111	1,892,276,606	34.2

Source: Lorain 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 property is assessed at 35 percent of actual value.  
Public utility/personal property is assessed at 88 percent of actual value.  
Tangible personal property is assessed at 25 percent of actual value.

Elyria City School District  
Property Tax Rates – Direct and Overlapping Governments  
(per \$1,000 of Assessed Valuation)  
Last Ten Calendar Years

<u>Tax Year</u>	<u>Collection Year</u>	<u>Elyria City School Levy</u>	<u>Lorain County Levy</u>	<u>City of Elyria Levy</u>	<u>Lorain County Joint Vocational School Levy</u>	<u>Total Levy</u>
2002	2003	56.81	12.89	4.20	2.45	76.35
2001	2002	57.09	12.89	4.20	2.45	76.63
2000	2001	57.11	10.79	11.00	2.45	81.35
1999	2000	52.71	10.79	11.00	2.45	76.95
1998	1999	52.71	10.79	11.00	2.45	76.95
1997	1998	53.58	10.79	9.20	2.45	76.02
1996	1997	53.68	12.69	9.20	2.45	78.02
1995	1996	53.98	12.69	9.20	2.45	78.32
1994	1995	54.58	12.69	9.20	2.45	78.92
1993	1994	54.83	11.74	9.20	2.45	78.22

Source: Lorain 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

Elyria City School District  
Ratio of Net Obligation Bonded Debt to  
Assessed Value and Net Bonded Debt Per Capita  
Last Ten Calendar Years

<u>Year</u>	<u>Elyria CSD Area Population (1)</u>	<u>Assessed Value (2)</u>	<u>Net General Obligation Bonded Debt (3)</u>	<u>Debt Service Funds Available (3)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2003	55,953	\$ 955,591,300	\$ 1,050,000	\$ 734,399	\$ 315,601	0.03%	\$ 5.64
2002	55,953	944,178,930	1,360,000	855,140	504,860	0.05%	9.02
2001	55,953	955,009,650	1,660,000	664,300	995,700	0.10%	17.80
2000	56,746	838,354,210	1,935,000	576,148	1,358,852	0.16%	23.95
1999	56,746	826,492,243	2,195,000	565,649	1,629,351	0.20%	28.71
1998	56,746	815,708,660	2,440,000	605,462	1,834,538	0.22%	32.33
1997	56,746	729,770,720	2,660,000	557,021	2,102,979	0.29%	37.06
1996	56,746	717,218,804	2,870,000	729,029	2,140,971	0.30%	37.73
1995	56,746	709,213,308	3,065,000	677,346	2,387,654	0.34%	42.08
1994	56,746	647,123,111	3,245,000	609,492	2,635,508	0.41%	46.44

Source:

- (1) City of Elyria
- (2) Lorain County, Ohio; County Auditor
- (3) School District Financial Records





Elyria City School District  
 Computation of Legal Debt Margin  
 June 30, 2003

Assessed Valuation		<u><u>\$955,591,300</u></u>
Debt Limit – 9% of Assessed Value (1)		86,003,217
Amount of Debt Applicable	(\$1,050,000)	
Amount Available in Debt Service Fund	<u>734,399</u>	
Total Debt Applicable		
Less: Total Debt Applicable		<u>(315,601)</u>
Overall Legal Debt Margin		<u><u>\$85,687,616</u></u>

Debt Limit – 0.10% of Assessed Value (1)		\$955,591
Amount of Debt Applicable	\$0	
Amount Available in Debt Service Fund	<u>734,399</u>	
Total Debt Applicable		
Less: Total Debt Applicable		<u>734,399</u>
Unvoted Debt Margin		<u><u>\$1,689,990</u></u>

Source: Lorain 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.

Elyria City School District  
Ratio of Annual Debt Service Expenditures for  
General Obligation Bonded Debt to Governmental Fund Expenditures  
Last Ten Fiscal Years

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service Expenditures To Total Governmental Expenditures
2003	\$ 310,000	\$ 73,480	\$ 383,480	\$ 73,171,507	0.52%
2002	300,000	90,640	390,640	68,241,450	0.57%
2001	275,000	106,321	381,321	66,315,198	0.58%
2000	260,000	120,373	380,373	63,667,707	0.60%
1999	245,000	162,871	407,871	58,563,259	0.70%
1998	220,000	172,068	392,068	60,286,307	0.65%
1997	210,000	162,225	372,225	57,414,013	0.65%
1996	195,000	218,485	413,485	55,219,071	0.75%
1995	180,000	191,722	371,722	53,376,264	0.70%
1994	155,000	221,196	376,196	54,625,271	0.69%

Source: School District Financial Records

Elyria City School District  
Demographic Statistics  
Last Ten Years

Year	Elyria CSD Area Population (1)	School Enrollment (2)	Lorain County Unemployment Rate (3)
2003	55,953	8,348	6.4%
2002	55,953	8,270	6.1
2001	55,953	8,551	5.5
2000	56,746	8,487	5.2
1999	56,746	8,656	5.4
1998	56,746	8,753	6.3
1997	56,746	8,916	6.9
1996	56,746	8,746	7.0
1995	56,746	9,012	6.3
1994	56,746	9,110	7.1

Source:

- (1) The City of Elyria
- (2) School District Records
- (3) Ohio Labor Market Information

Elyria City School District  
 Financial Institution Deposits, Property Value and New Construction  
 Last Ten Years

Year	Property Values Estimated Actual Value (1)	Financial Institution Deposit Banks (2)	New Construction Assessed Value (1)
2002	\$ 2,854,285,675	\$ 614,592,000	\$ 7,634,970
2001	2,818,867,523	593,492,000	20,879,444
2000	2,831,471,284	533,034,000	22,010,007
1999	2,474,395,933	483,871,000	22,009,145
1998	2,437,031,077	444,974,000	21,416,763
1997	2,400,185,416	920,050,000	11,069,360
1996	2,148,764,341	1,329,795,000	5,686,950
1995	2,093,609,239	1,237,991,000	8,620,650
1994	2,060,136,665	1,254,166,000	5,144,680
1993	1,892,276,606	1,170,581,000	6,342,200

Sources: (1) Lorain County Auditor  
 (2) Federal Reserve Bank of Cleveland

Elyria City School District  
Principal Taxpayers  
Real Property Tax  
December 31, 2002

Taxpayer	Assessed Value (1)	Percentage of Total Real Property Tax Assessed Value
Ohio Edision Co.	\$ 14,755,520	1.94%
Wea Midway LLC	13,491,880	1.77
Alltel Ohio Inc	12,255,970	1.61
First Interstate Elyria	5,731,540	0.75
New Plan Of Midway Inc	5,004,710	0.66
Sear Roebuck & Co.	3,925,060	0.52
Elyria United	2,993,080	0.39
Comprehensive Ventures	2,958,220	0.39
Holiday Inn of Elyria	2,945,510	0.39
Dayton Hudson	2,875,380	0.38
	\$ <u>66,936,870</u>	<u>8.80%</u>
Total Real Property Tax Assessed Valuation	\$ <u>760,673,700</u>	

Sources: Lorain County Auditor

(1) Assessed values are for the 2003 collection year

Elyria City School District  
Principal Taxpayers  
Tangible Personal Property Tax  
December 31, 2002

Taxpayer	Assessed Value(1)	Percentage of Total Tangible Personal Property Tax Assessed Value
Ridge Tool Company	\$ 11,178,120	6.97%
Engelhard Corporation	9,306,700	5.80
Invacare Corporation	7,006,220	4.37
Diamond Products	5,638,760	3.51
Parker Hannifin	4,740,670	2.95
Dow Chemical Company	4,460,580	2.78
Crane Co.	3,155,970	1.97
Bendix Commercial Vehicle System LLC	2,968,590	1.85
Nylonge Company	2,807,090	1.75
Nelson Stud Welding Inc	2,762,040	1.72
	\$ <u>54,024,740</u>	<u>33.67%</u>
Total Tangible Personal Property Tax Assessed Valuation	\$ <u><u>160,437,610</u></u>	

Sources: Lorain County Auditor

(1) Assessed values are for the 2003 collection year

Elyria City School District  
Miscellaneous Statistics  
June 30, 2003

Form of Government	Board of Education
Enrollment	8,348
Superintendent of Schools	Dr. E. Jean Harper
Treasurer	Stephen R. Huzicko – Retired 1/7/04 Fred V. Stephens – Hired 1/8/04
Director of Business Services	Richard Nielson

School Buildings:

Elyria High School	Michael Gillam
Eastern Heights Junior High School	Thomas Solet
Northwood Junior High School	Thomas Jama
Westwood Junior High School	Gregory Horace
HillTop Academy	Allen Senkovich
Cascade Elementary	Brenda Peaks
Crestwood Elementary	Linda Arter
Eastgate Elementary	Charles Sanfilippo
Edison Elementary	Carl Bosworth
Ely Elementary	Brenda Harriss
Erie Elementary	Ann Williams-Lars
Franklin Elementary	Elsa Manco
McKinley Elementary	Chip Hall
Oakwood Elementary	Joyce Bouman
Prospect Elementary	Michael Amann
Roosevelt Elementary	Norris Kelly
Windsor Elementary	Michael Routa
Kindergarten Village	Rita Tomsic

Sources: School District Financial Records

Elyria City School District  
 Teacher Education and Experience  
 June 30, 2003

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	267	40%
Master's Degree	395	59%
PHD's	5	1%
Total	667	100%

Year of Experience	Number of Teachers	Percentage of Total
0 - 5	141	21%
6 - 10	112	17%
11 and Over	414	62%
Total	667	100%

Source: School District Personnel Records





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**ELYRIA CITY SCHOOL DISTRICT**

**LORAIN 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  
MARCH 4, 2004**