

# **Elyria City School District**

## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2004**

Issued by:  
Fred Stephens, Treasurer  
Treasurer's Office

## **Introductory Section**

**Elyria City School District**  
 Comprehensive Annual Financial Report  
 For the Year Ended June 30, 2004

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January 28, 2005

**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, 2004 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, this transmittal letter, Board of Education members and elected officials, the District's organizational chart and a list of its appointed officials.
- 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 provide an overview of the District's financial position and operating results, and 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 attend Lorain County Community College located in the city of Elyria, under the post-secondary school enrollment option and the new Early College Program. 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 Interim Superintendent, Dr. Roger J. Lulow, has been Interim Superintendent since August 1, 2004; The Board is engaged in a Superintendent search process at this time.

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, Fred V. Stephens, has been Treasurer since January 1, 2004; his initial two-year contract continues until December 31, 2005.

## The District and Its Facilities

The Elyria City School District is located in the city of Elyria in Lorain County, Ohio. In fiscal year 2003-2004, there were 8,130 students enrolled in the District compared to 8,348 students enrolled in the previous year. 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 FY04, the District employed 1,308 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2004, the District paid from its general fund (Disadvantaged Pupil Impact Aid (DPIA) included \$40,821,278 in salaries and \$12,548,478 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, 2005. The collective bargaining agreement with the Elyria School Support Staff (ESSS) expires December 31, 2005.

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 \$6,751,484 during the 2004 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, 2004, the School District received \$27,756,159 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 2004. The rate of unemployment, at the end of the fiscal year 2004, for the Elyria City area was 6.3%.

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 appliance 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 include 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's **Mission statement**, which is:

*"To ensure that each children reaches his and 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). A major initiative started in 2002 and continuing to present was to develop a software program called an Indicator Reporting Information System (IRIS) that allow 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 building to accommodate the use of administrative and instructional technology. 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.
- *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.
- *Equipment Upgrade.* The District leased new copiers/scanners equipment for all building at the lowest cost than the old system.
- *Cost Management.* The District out-sources the management of its food service and transportation of its students to reduce the cost of theses services to District operations.

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.

Department Focus. The finance office will continue to implement its part of the District's Strategic Plan 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 website.
- Use the District's web page as a community resource for Board of Education and Financial Service 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 except for general fund which is on the function 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 second year the District has prepared financial statements following GASB 34 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 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 financial statements distinguish between those activities of the District that are governmental and these 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 a part of the new reporting model, management is responsible for preparing a discussion and analysis for the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2004. 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 District employees. The District has implemented a medical self-insurance program. The internal service fund had net assets of \$2,951,923 at June 30, 2004 compared with net assets of \$2,396,496 at June 30, 2003, reflecting an increase of \$555,427.

*Financial Highlights – Fiduciary Funds* The trust fund carried on the financial records of the District is a private purpose trust that has net assets totaling \$260,830 at June 30, 2004.

### 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 2004 for all District funds was \$300,634. 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 2004, the District contracted with Indiana 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 Indiana 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.

## Pension Plan

All District's 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 District's employers contributions to both systems are based on a percentage of employee's salaries. State law requires the District to pay the employer share as determined by each retirement system. See Note 12 of the basic financial statements for complete details.

## **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 2004. 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.

## **OTHER INFORMATION**

Independent Audit: State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. 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, 2004, 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.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial reporting 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, 2003. 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 Fred Stephens, Treasurer/Chief Financial Officer. 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, Katie Henes 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.



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Roger J. Lulow, Ph.D.  
Superintendent



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Fred V. 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:

	<b><i>Began Service as a Board Member</i></b>	<b><i>Present Term Expires</i></b>
<b><i>Donald Boddy, Member</i></b>	July 28, 1998	December 31, 2006
<b><i>Evelyn France, Member</i></b>	April 23, 1996	December 31, 2005
<b><i>Holly Brinda, President</i></b>	January 1, 2000	December 31, 2006
<b><i>Kathryn Karpus, Member</i></b>	January 1, 2003	December 31, 2006
<b><i>Virginia Hawes, Vice-President</i></b>	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. Current Interim Superintendent, Roger J. Lulow PhD, has been Interim Superintendent since August 1, 2004. The Board of Education is currently engaged in a superintendent search process.

### **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, Fred V. Stephens, has held the position since January 1, 2004.

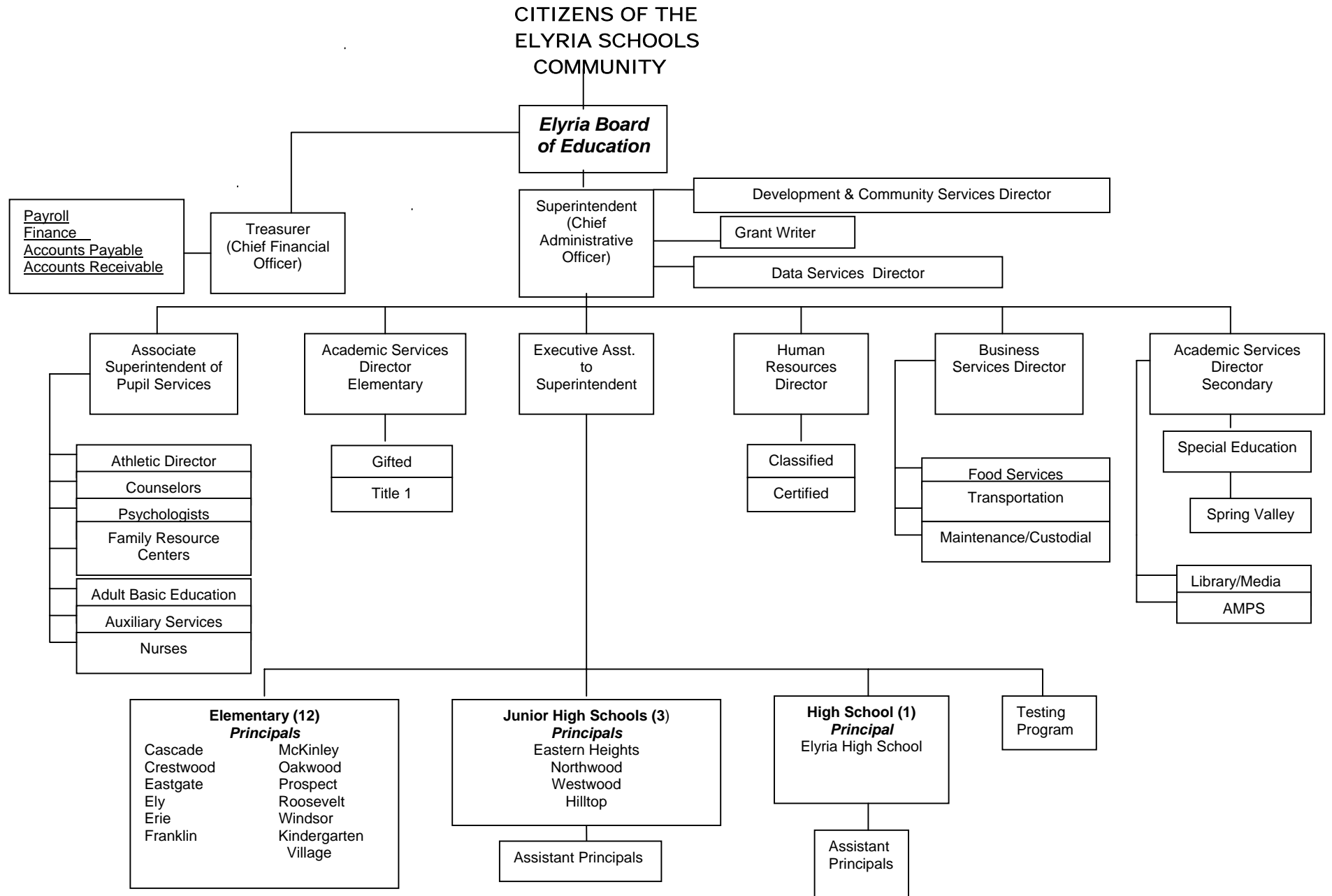
***ELYRIA CITY SCHOOL DISTRICT, OHIO***

***Management Team***

Dr. E. Jean Harper	Superintendent of Schools/CEO
Fred V. Stephens	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
Katie Henes	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
Dianne D. Quinn	Elyria High School Principal
Kimberly Blevins	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 Rوتا	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, 2003

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.



*Nancy L. Zjelke*

President

*Jeffrey R. Emswiler*

Executive Director

## **Financial Section**

**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 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, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these 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, 2004, 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.

Management's Discussion and Analysis on pages 3 through 15 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 28, 2005 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express not opinion on them.

*Charles E. Harris & Associates, Inc.*  
January 28, 2005



**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

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The discussion and analysis of Elyria City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$15.7 million (net assets). Of this amount, \$6.6 million (unrestricted net assets) may be used to meet the District's ongoing obligations to residents and creditors.
- The District's total net assets decreased by \$4.4 million. Although program revenues increased \$4.6 million, the general revenues decreased \$9.6 million, which attributed to the decrease of net assets.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8.5 million, a decrease of \$5.6 million in comparison with the prior year. Approximately a third of this total amount, \$2.9 million, is available for spending at the District's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was negative \$88 thousand.

**Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-wide Financial Statements.*** The government-wide financial statements are designed to provide reader with a broad overview of the District's finances, in a manner similar to a private-sector business.

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

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The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned by unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include instruction, support services, operation of non-instructional services, and extracurricular activities. The business-type activity of the District includes lunchroom/cafeteria.

The government-wide financial statements can be found on pages 17-19 of this report.

***Fund Financial Statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The District, like the state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental Funds*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains nineteen individual government funds. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered to be the major fund. Data from the other eighteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 20-24 of this report.

*Proprietary Funds* The District maintains two different types of proprietary funds. Enterprise funds are used to report the same function presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its food service, uniform school supplies, summer school, and adult education. The internal service fund is an accounting device used to accumulate and allocate costs internally amount the District's various functions. The District uses its internal service fund to account for its healthcare costs. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the lunchroom/cafeteria, which is considered to be a non-major fund of the District.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

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*Fiduciary Funds* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these fund are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for the proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

***Notes to the Financial Statements.*** The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-56 of this report.

***Other Information.*** In addition to the basic financial statements and accompanying notes, this report also presents the combining statements. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on page 57-109 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$15.7 million at the close of the most recent fiscal year.

Approximately forty-two percent of the District's net assets (\$6.6 million) reflect its unrestricted net assets. The District uses these unrestricted net assets to meet ongoing obligations to the residents and creditors. Twenty-nine percent of the net assets (\$4.6 million) are investment in capital assets (e.g., land, building, machinery and furniture, vehicles). The District uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. An additional portion of the District's net assets, \$4.5 million, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets, both for the governmental and business-type activities. The same situation held true for the prior fiscal year.

**Elyria City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2004**  
*Unaudited*

<b>Elyria City School District's Net Assets</b>						
<b>(In Millions)</b>						
	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Assets:</b>						
Current and Other Assets	\$ 46.13	\$ 52.50	\$ 0.42	\$ 0.33	\$ 46.55	\$ 52.83
Capital Assets	5.17	6.40	0.19	0.22	5.36	6.62
<i>Total Assets</i>	<u>51.30</u>	<u>58.90</u>	<u>0.61</u>	<u>0.55</u>	<u>51.91</u>	<u>59.45</u>
<b>Liabilities:</b>						
Current Liabilities	31.47	32.77	0.21	0.26	31.68	33.03
Long-term Liabilities	4.58	6.35	-	-	4.58	6.35
<i>Total Liabilities</i>	<u>36.05</u>	<u>39.12</u>	<u>0.21</u>	<u>0.26</u>	<u>36.26</u>	<u>39.38</u>
<b>Net Assets:</b>						
Invested in Capital Assets	4.38	5.24	0.19	0.22	4.57	5.46
Restricted	4.49	5.06	-	-	4.49	5.06
Unrestricted	6.38	9.49	0.21	0.07	6.59	9.56
<i>Total Net Assets</i>	<u>\$ 15.25</u>	<u>\$ 19.79</u>	<u>\$ 0.40</u>	<u>\$ 0.29</u>	<u>\$ 15.65</u>	<u>\$ 20.08</u>

The District's net assets decreased by \$4.4 million during the current fiscal year. All of these represent the degree of ongoing expenses increasing with the corresponding declining revenue during the year.

***Governmental Activities***

Governmental activities decreased the District's net assets by \$4.5 million, thereby accounting for 100 percent of the total decline in net assets of the District. Key elements of this decrease are as follows:

- Property taxes decreased by \$4.4 million (13 percent) during the year. Most of this decrease is due to the revenue recognition under general accepted accounting principals.
- Grants and entitlements not restricted to specific programs for governmental activities decreased by \$3.8 million, mostly as a result of a decrease funding in school foundation during the current fiscal year.
- Investment earning and miscellaneous revenue also decreased by \$1.6 million.

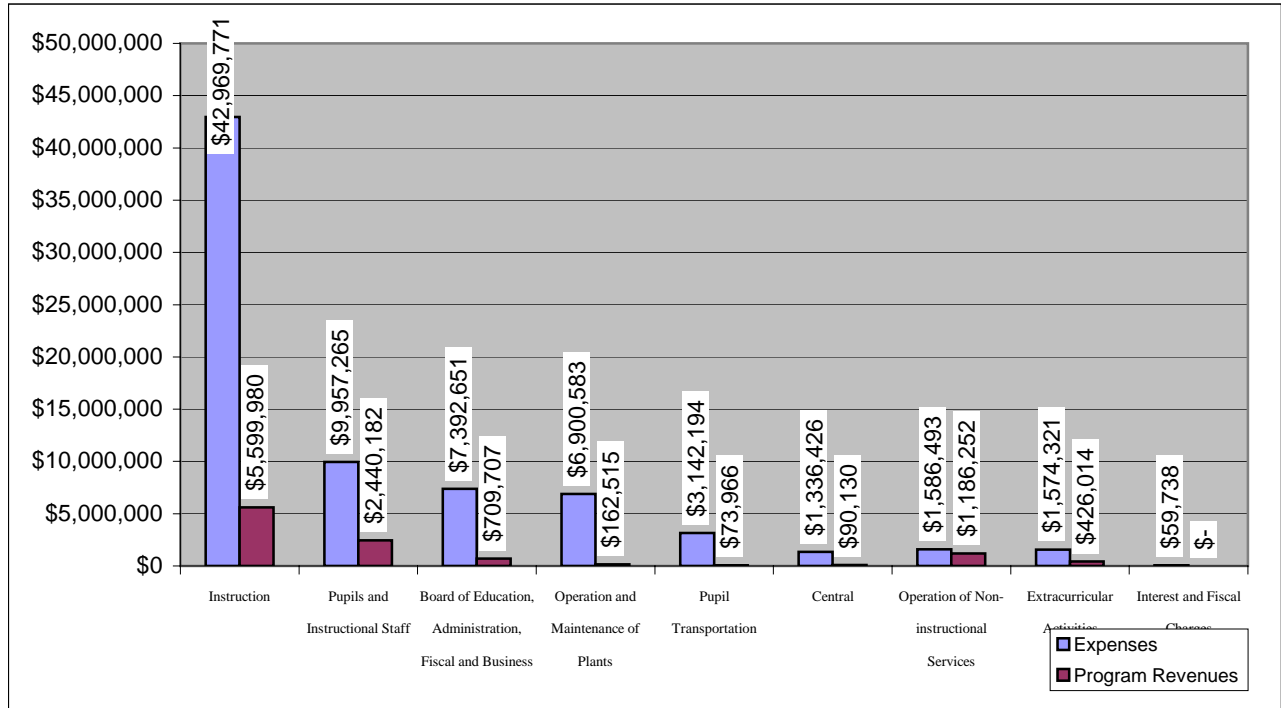
**Elyria City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2004**  
*Unaudited*

**Elyria City School District**  
**Changes in Net Assets**

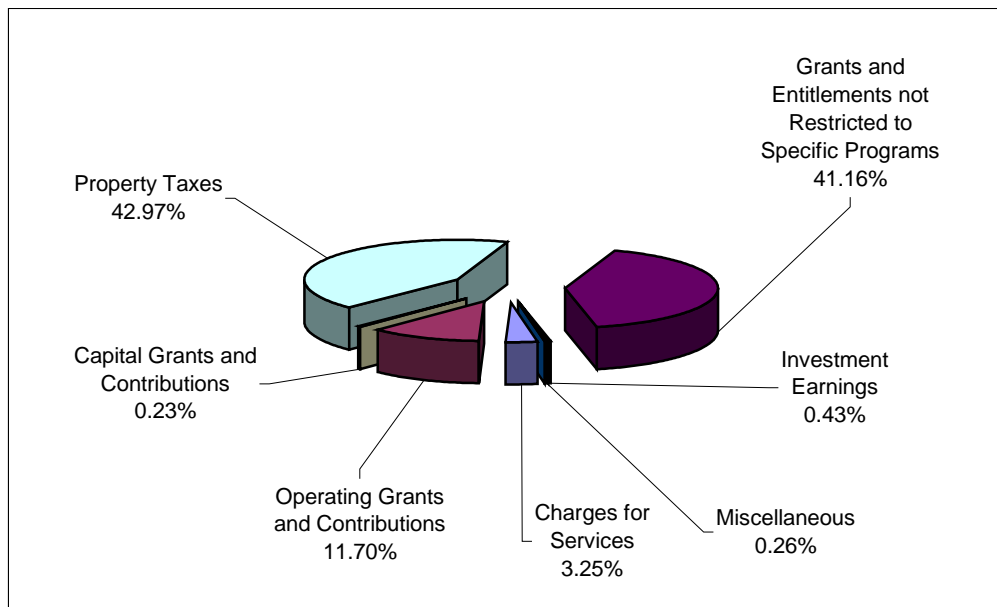
	Governmental		Business-type		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
<b>Revenue:</b>						
Program Revenues:						
Charges for Services and Sales	\$ 2,289,714	\$ 1,785,232	\$ 885,967	\$ 840,491	\$ 3,175,681	\$ 2,625,723
Operating Grants and Contributions	8,237,544	4,445,578	1,844,303	1,661,653	10,081,847	6,107,231
Capital Grants and Contributions	161,488	70,595	-	-	161,488	70,595
General Revenues:						
Property Taxes	30,251,318	34,640,570	-	-	30,251,318	34,640,570
Grants and Entitlements	28,971,881	32,727,126	-	-	28,971,881	32,727,126
Investment Earnings	299,727	506,654	542	483	300,269	507,137
Miscellaneous	183,727	1,572,814	-	-	183,727	1,572,814
<b>Total Revenues</b>	<b>70,395,399</b>	<b>75,748,569</b>	<b>2,730,812</b>	<b>2,502,627</b>	<b>73,126,211</b>	<b>78,251,196</b>
<b>Expenses:</b>						
Instructions:						
Regular	29,624,561	30,821,532	-	-	29,624,561	30,821,532
Special	9,113,085	9,309,759	-	-	9,113,085	9,309,759
Vocational	306,809	295,979	-	-	306,809	295,979
Adult	69,504	69,898	-	-	69,504	69,898
Other	3,855,812	3,023,391	-	-	3,855,812	3,023,391
Support Services:						
Pupils	5,110,344	4,988,514	-	-	5,110,344	4,988,514
Instructional Staff	4,846,921	5,253,519	-	-	4,846,921	5,253,519
Board of Education	115,881	53,309	-	-	115,881	53,309
Administration	4,959,822	5,489,448	-	-	4,959,822	5,489,448
Fiscal	1,556,168	1,423,861	-	-	1,556,168	1,423,861
Business	760,780	964,200	-	-	760,780	964,200
Operation and Maintenance of Plant	6,900,583	6,792,093	-	-	6,900,583	6,792,093
Pupil Transportation	3,142,194	2,495,848	-	-	3,142,194	2,495,848
Central	1,336,426	1,718,658	-	-	1,336,426	1,718,658
Operation of Non-instructional Services	1,586,493	1,770,205	-	-	1,586,493	1,770,205
Extracurricular Activities	1,574,321	1,495,087	-	-	1,574,321	1,495,087
Fiscal and Interest Charges	59,738	81,549	-	-	59,738	81,549
Food Services	-	-	2,618,632	2,520,035	2,618,632	2,520,035
<b>Total Expenses</b>	<b>74,919,442</b>	<b>76,046,850</b>	<b>2,618,632</b>	<b>2,520,035</b>	<b>77,538,074</b>	<b>78,566,885</b>
Changes in Net Assets	(4,524,043)	(298,281)	112,180	(17,408)	(4,411,863)	(315,689)
Beginning Net Assets, Restated	19,778,506	20,076,787	285,599	303,007	20,064,105	20,379,794
Ending Net Assets	<b>\$ 15,254,463</b>	<b>\$ 19,778,506</b>	<b>\$ 397,779</b>	<b>\$ 285,599</b>	<b>\$ 15,652,242</b>	<b>\$ 20,064,105</b>

**Elyria City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2004**  
*Unaudited*

**Expenses and Program Revenues – Governmental Activities**



**Revenues by Sources – Governmental Activities**



**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

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For the most part, the increase in expenses closely paralleled inflation and growth in the demand for services. The expenses increased by \$1.07 million in comparison to the prior year fiscal year. Most of the increase in expenses occurred in instruction and pupil transportation.

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 43 percent of revenue for governmental activities for Elyria City School District in fiscal year 2004, a 3 percent decrease from prior years.

***Business-Type Activities***

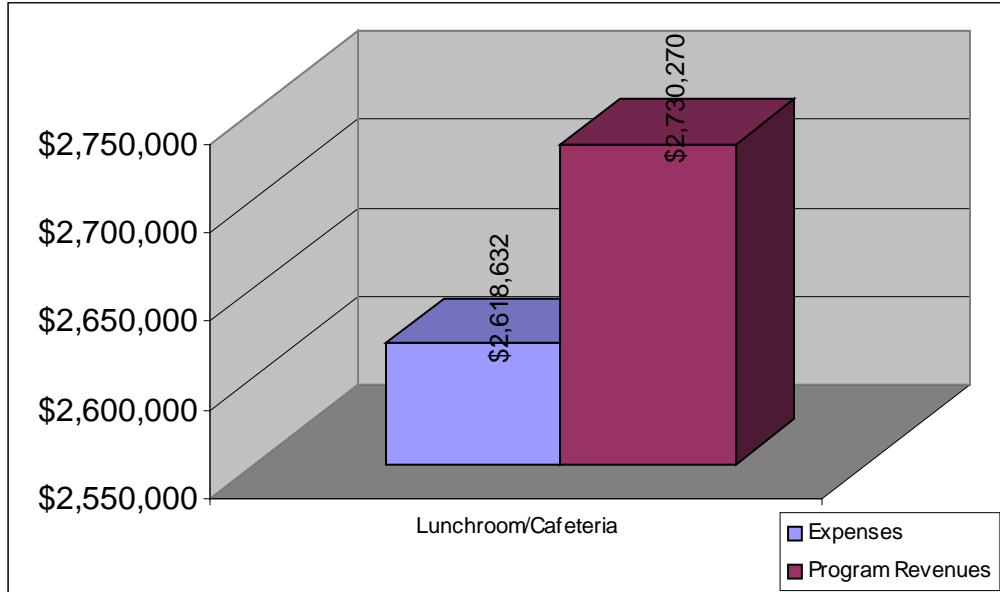
Business-type activities increased the District's net assets by \$112 thousand. The only business-type activity for the District was lunchroom/cafeteria. Key elements of this increase are as follows:

- Charges for services for increased by \$45,476 due to the increase in sales.
- Operating grants increased by \$222,650 due to increase in grants from the federal government.
- Expenses increased by \$40,895. However, the increase in ongoing revenues outstripped the increase in ongoing expenses.

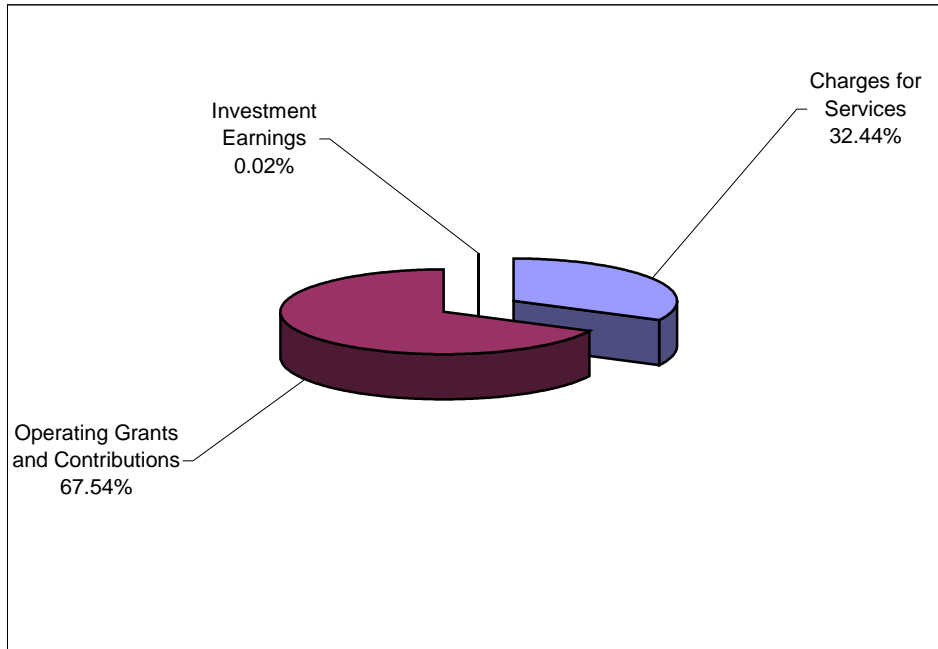


**Elyria City School District**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2004  
*Unaudited*

Expenses and Program Revenues- Business-type Activities



Revenues by Sources – Business-type Activities



**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

**Financial Analysis of the Governmental Funds**

**Governmental Funds.** Information about the District's governmental funds starts on page 20. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$70.6 million and expenditures of \$76.2 million. The total governmental fund balance decreased \$5.6 million. The net change in governmental fund balance for the year was most significant in the general fund, where the general fund's fund balance decreased by \$4.7 for fiscal year 2004.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was negative \$87 thousand, while total fund balance declined to \$4.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. Unreserved fund balance represents less than one percent of total general fund expenditures, while total fund balance represents seven percent of that same amount.

Key factors in this decreased of fund balance for the general fund is as follows:

- A decrease of property taxes by \$2,162,261.
- Miscellaneous revenues decreased significantly as well, by \$602,568.
- Expenditures increased by \$3,195,272. Most of the increase occurred in instruction and support services.

**Proprietary Fund.** The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Information about the District's proprietary funds starts on page 25.

Unrestricted net assets of the lunchroom/cafeteria is as follows:

Proprietary Funds' Net Assets

	Lunchroom/Cafeteria	
	2004	2003
Revenues	\$2,730,812	\$2,502,627
Expenses	2,618,632	2,520,035
Net Income (Loss)	112,180	(17,408)
Net Assets 7/1/03	285,599	303,007
Net Assets 6/30/04	\$397,779	\$285,599

Lunchroom/cafeteria fund realized a healthy growth during the current fiscal year.

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2004 the District amended its general fund budget numerous times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, budget basis revenue was \$62.8 million, nearly same as the original budget. However, revenue line items fluctuate year to year and are budgeted on a conservative basis to avoid revenue overestimations.

The difference between the original budget appropriations and the final amended budget appropriations of the general fund were approximately \$1.8 million. Most of the increase occurred in instruction and support services.

***Capital Assets and Debt Administration***

***Capital Assets.*** The District's investment in capital assets for its governmental and business-type activities as of June 30, 2004, amount to \$5.4 million (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment, furniture, vehicles and textbooks. The total decrease in the District's investment in capital assets for the current fiscal year was 19.2 percent. While governmental activities decreased by 19.3 percent, the business-type activities also decreased by 14.2 percent.

**Elyria City School District's Capital Assets  
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land and Improvements	\$ 1,133,431	\$ 1,096,932	\$ -	\$ -	\$ 1,133,431	\$ 1,096,932
Buildings and Improvements	1,833,354	1,999,807	-	-	1,833,354	1,999,807
Furniture/Equipment/Fixtures	2,176,700	3,138,072	185,087	215,686	2,361,787	3,353,758
Vehicles	18,674	26,307	-	-	18,674	26,307
Library and Textbooks	3,202	141,567	-	-	3,202	141,567
Total Capital Assets, Net	\$ 5,165,361	\$ 6,402,685	\$ 185,087	\$ 215,686	\$ 5,350,448	\$ 6,618,371

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

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Major capital asset events during the current year included the following:

- While \$74,909 of land and \$105,860 of vehicles were added, \$1,448,753 of depreciation also added during the current fiscal year.

Additional information on the District's capital assets can be found in note 8 of the basic financial statements.

**Debt.** Currently, the District has \$720,000 of Library Construction Bonds at June 30, 2004. The debt matures in fiscal year 2006. Additional information on the District's debt can be found in note 10 of the basic financial statements.

### **Current Financial Related Activities**

The Districts 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 mil operating levy in 2004 and a five year 4.75 mil emergency levy in 2005 to continue the District must seek additional tax revenues for operations and facilities in the near future.

On December 11, 2004, 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 it 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 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 second 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.

**Elyria City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2004  
*Unaudited*

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

This financial report is designed to provide our citizen's, 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.

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**Elyria City School District**  
*Statement of Net Assets*  
*June 30, 2004*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 15,828,011	\$ 144,354	\$ 15,972,365
Receivables:			
Taxes	28,984,285	-	28,984,285
Accounts	50,371	-	50,371
Intergovernmental	1,234,452	266,358	1,500,810
Internal Balances	30,374	(30,374)	-
Inventory Held for Resale	-	41,499	41,499
Materials and Supplies Inventory	11,810	5,326	17,136
Nondepreciable Capital Assets	588,160	-	588,160
Depreciable Capital Assets, Net	4,577,201	185,087	4,762,288
<i>Total Assets</i>	51,304,664	612,250	51,916,914
<b>Liabilities</b>			
Accounts Payable	892,088	50,864	942,952
Accrued Wages and Benefits	5,655,915	80,097	5,736,012
Compensated Absences Payable	137,775	-	137,775
Pension Obligation Payable	1,649,098	78,340	1,727,438
Intergovernmental Payable	339,054	5,170	344,224
Unearned Revenue	21,778,932	-	21,778,932
Accrued Interest Payable	971	-	971
Claims Payable	1,014,700	-	1,014,700
Long-Term Liabilities:			
Due Within One Year	678,666	-	678,666
Due Within More Than One Year	3,903,002	-	3,903,002
<i>Total Liabilities</i>	36,050,201	214,471	36,264,672
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	4,377,421	185,087	4,562,508
Restricted for:			
Capital Projects	2,122,554	-	2,122,554
Debt Service	576,703	-	576,703
Other Purposes	1,796,762	-	1,796,762
Unrestricted (Deficit)	6,381,023	212,692	6,593,715
<i>Total Net Assets</i>	\$ 15,254,463	\$ 397,779	\$ 15,652,242

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2004

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$ 29,624,561	\$ 615,424	\$ 1,099,523	\$ -
Special	9,113,085	1,135,243	2,680,839	-
Vocational	306,809	-	-	-
Adult	69,504	362	68,589	-
Other	3,855,812	-	-	-
Support Services:				
Pupils	5,110,344	22,063	597,555	-
Instructional Staff	4,846,921	59,322	1,761,242	-
Board of Education	115,881	-	-	-
Administration	4,959,822	-	679,642	-
Fiscal	1,556,168	30,065	-	-
Business	760,780	-	-	-
Operation and Maintenance of Plant	6,900,583	-	1,027	161,488
Pupil Transportation	3,142,194	-	73,966	-
Central	1,336,426	276	89,854	-
Operation of Non-Instructional Services	1,586,493	945	1,185,307	-
Extracurricular Activities	1,574,321	426,014	-	-
Interest and Fiscal Charges	59,738	-	-	-
<i>Total Governmental Activities</i>	<u>74,919,442</u>	<u>2,289,714</u>	<u>8,237,544</u>	<u>161,488</u>
<b>Business-Type Activities</b>				
Lunchroom/Cafeteria	2,618,632	885,967	1,844,303	-
<i>Total Business-Type Activities</i>	<u>2,618,632</u>	<u>885,967</u>	<u>1,844,303</u>	<u>-</u>
<b>Totals</b>	<u>\$ 77,538,074</u>	<u>\$ 3,175,681</u>	<u>\$ 10,081,847</u>	<u>\$ 161,488</u>

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

*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
\$ (27,909,614)	\$ -	\$ (27,909,614)
(5,297,003)	-	(5,297,003)
(306,809)	-	(306,809)
(553)	-	(553)
(3,855,812)	-	(3,855,812)
(4,490,726)	-	(4,490,726)
(3,026,357)	-	(3,026,357)
(115,881)	-	(115,881)
(4,280,180)	-	(4,280,180)
(1,526,103)	-	(1,526,103)
(760,780)	-	(760,780)
(6,738,068)	-	(6,738,068)
(3,068,228)	-	(3,068,228)
(1,246,296)	-	(1,246,296)
(400,241)	-	(400,241)
(1,148,307)	-	(1,148,307)
(59,738)	-	(59,738)
<u>(64,230,696)</u>	<u>-</u>	<u>(64,230,696)</u>
-	111,638	111,638
-	111,638	111,638
<u>\$ (64,230,696)</u>	<u>\$ 111,638</u>	<u>\$ (64,119,058)</u>
\$ 30,077,354	\$ -	\$ 30,077,354
173,964	-	173,964
28,971,881	-	28,971,881
299,727	542	300,269
183,727	-	183,727
<u>59,706,653</u>	<u>542</u>	<u>59,707,195</u>
(4,524,043)	112,180	(4,411,863)
<u>19,778,506</u>	<u>285,599</u>	<u>20,064,105</u>
<u>\$ 15,254,463</u>	<u>\$ 397,779</u>	<u>\$ 15,652,242</u>

**Elyria City School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2004*

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 8,382,775	\$ 4,449,222	\$ 12,831,997
Receivables:			
Taxes	28,812,296	171,989	28,984,285
Accounts	47,063	1,873	48,936
Intergovernmental	-	1,234,452	1,234,452
Materials and Supplies Inventory	7,561	4,249	11,810
<i>Total Assets</i>	37,249,695	5,861,785	43,111,480
<b>Liabilities</b>			
Accounts Payable	539,001	353,087	892,088
Accrued Wages and Benefits	5,083,428	570,229	5,653,657
Compensated Absences Payable	130,124	7,651	137,775
Pension Obligation Payable	1,011,051	96,888	1,107,939
Due to Other Funds	843,462	103,158	946,620
Intergovernmental Payable	303,083	35,712	338,795
Deferred Revenue	24,951,194	610,333	25,561,527
<i>Total Liabilities</i>	32,861,343	1,777,058	34,638,401
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	615,068	541,460	1,156,528
Debt Service	-	540,747	540,747
Property Taxes	3,861,102	23,869	3,884,971
Unreserved:			
Undesignated, Reported in:			
General Fund	(87,818)	-	(87,818)
Special Revenue Funds	-	921,203	921,203
Capital Projects Funds	-	2,057,448	2,057,448
<i>Total Fund Balances</i>	4,388,352	4,084,727	8,473,079
<i>Total Liabilities and Fund Balances</i>	\$ 37,249,695	\$ 5,861,785	\$ 43,111,480

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, 2004*

<b>Total Governmental Fund Balances</b>		\$ 8,473,079
 <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.		5,165,361
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	3,320,382	
Intergovernmental	462,213	
Total		3,782,595
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.		(971)
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.		2,951,923
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	(720,000)	
Compensated Absences	(3,793,728)	
Pension Obligation	(535,856)	
Capital Lease	(67,940)	
Total		(5,117,524)
<b><i>Net Assets of Governmental Activities</i></b>		<b>\$ 15,254,463</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, 2004*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 29,886,696	\$ 173,316	\$ 30,060,012
Intergovernmental	28,952,646	8,570,126	37,522,772
Interest	272,196	2,538	274,734
Tuition and Fees	1,478,415	-	1,478,415
Extracurricular Activities	16,860	246,605	263,465
Classroom Materials and Fees	-	250,386	250,386
Miscellaneous	180,275	297,448	477,723
	<u>60,787,088</u>	<u>9,540,419</u>	<u>70,327,507</u>
<i>Total Revenues</i>	<i>60,787,088</i>	<i>9,540,419</i>	<i>70,327,507</i>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	28,318,544	1,600,825	29,919,369
Special	6,903,097	2,500,124	9,403,221
Vocational	296,045	-	296,045
Adult	-	68,953	68,953
Other	3,855,812	-	3,855,812
Support Services:			
Pupils	4,366,693	880,409	5,247,102
Instructional Staff	2,752,361	1,924,675	4,677,036
Board of Education	115,881	-	115,881
Administration	4,493,357	699,735	5,193,092
Fiscal	1,527,698	32,906	1,560,604
Business	760,545	-	760,545
Operation and Maintenance of Plant	6,131,273	221,465	6,352,738
Pupil Transportation	3,018,420	77,010	3,095,430
Central	1,072,550	84,854	1,157,404
Operation of Non-Instructional Services	494,949	1,083,759	1,578,708
Extracurricular Activities	944,626	449,284	1,393,910
Capital Outlay	130,547	652,687	783,234
Debt Service:			
Principal Retirement	45,294	330,000	375,294
Interest and Fiscal Charges	6,786	54,828	61,614
	<u>65,234,478</u>	<u>10,661,514</u>	<u>75,895,992</u>
<i>Total Expenditures</i>	<i>65,234,478</i>	<i>10,661,514</i>	<i>75,895,992</i>
<i>Excess of Revenue Over/(Under) Expenditures</i>	<i>(4,447,390)</i>	<i>(1,121,095)</i>	<i>(5,568,485)</i>
<b>Other Financing Sources (Uses)</b>			
Proceed from the Sale of Capital Assets	3,299	-	3,299
Transfer In	-	279,502	279,502
Transfer Out	(279,502)	-	(279,502)
	<u>(276,203)</u>	<u>279,502</u>	<u>3,299</u>
<i>Total Other Financing Sources (Uses)</i>	<i>(276,203)</i>	<i>279,502</i>	<i>3,299</i>
<i>Net Change in Fund Balances</i>	<i>(4,723,593)</i>	<i>(841,593)</i>	<i>(5,565,186)</i>
<i>Fund Balances Beginning of Year, as Restated (See Note 20)</i>	<i>9,111,945</i>	<i>4,926,320</i>	<i>14,038,265</i>
	<u>9,111,945</u>	<u>4,926,320</u>	<u>14,038,265</u>
<i>Fund Balances End of Year</i>	<i>\$ 4,388,352</i>	<i>\$ 4,084,727</i>	<i>\$ 8,473,079</i>
	<u>\$ 4,388,352</u>	<u>\$ 4,084,727</u>	<u>\$ 8,473,079</u>

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, 2004*

**Net Change in Fund Balances - Total Governmental Funds** \$ (5,565,186)

***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	180,769	
Current Year Depreciation	(1,418,093)	
<b>Total</b>		<b>(1,237,324)</b>

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

Taxes	191,306	
Intergovernmental	(151,859)	
<b>Total</b>		<b>39,447</b>

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	330,000	
Capital Lease	45,294	
<b>Total</b>		<b>375,294</b>

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,876

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

Compensated Absences Payable	1,389,676	
Pension Obligation Payable	(83,253)	
<b>Total</b>		<b>1,306,423</b>

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.

	555,427	
<b><i>Change in Net Assets of Governmental Activities</i></b>		<b><u><u>\$ (4,524,043)</u></u></b>

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, 2004

	Budgeted Amount		Actual	Variance with Final Budget Over/ (Under)
	Original	Final		
<i>Revenue:</i>				
Taxes	\$ 33,365,301	\$ 30,897,957	\$ 30,181,653	\$ (716,304)
Intergovernmental	27,300,000	29,087,218	28,729,684	(357,534)
Interest	432,301	430,301	272,196	(158,105)
Tuition	811,788	1,476,369	1,940,043	463,674
Extracurricular Activities	10,336	16,860	16,860	-
Miscellaneous	867,796	874,053	268,637	(605,416)
<b>Total Revenues</b>	<b>62,787,522</b>	<b>62,782,758</b>	<b>61,409,073</b>	<b>(1,373,685)</b>
<i>Expenditures:</i>				
Instruction:				
Regular	28,600,525	29,456,030	28,775,146	680,884
Special	7,001,833	7,002,119	6,826,041	176,078
Vocational	327,045	327,096	294,169	32,927
Other	3,748,079	3,865,464	3,857,728	7,736
Support Services:				
Pupils	4,215,684	4,452,897	4,263,375	189,522
Instructional Staff	2,793,300	2,897,822	2,777,432	120,390
Board of Education	113,086	113,020	109,229	3,791
Administration	4,642,036	4,730,937	4,564,050	166,887
Fiscal	1,721,165	1,747,703	1,585,318	162,385
Business	788,746	790,633	789,351	1,282
Operation and Maintenance of Plant	6,253,453	6,443,344	6,202,524	240,820
Pupil Transportation	3,104,675	3,136,181	3,123,075	13,106
Central	1,257,956	1,393,781	1,349,688	44,093
Operation of Non-Instructional Services	507,331	530,366	493,078	37,288
Extracurricular Activities	938,892	954,587	948,784	5,803
Capital Outlay	214,768	141,836	131,795	10,041
<b>Total Expenditures</b>	<b>66,228,574</b>	<b>67,983,816</b>	<b>66,090,783</b>	<b>1,893,033</b>
Excess of Revenues Over/ (Under) Expenditures	(3,441,052)	(5,201,058)	(4,681,710)	519,348
<i>Other Financing Sources/(Uses):</i>				
Proceeds from the Sale of Capital Assets	21,260	21,260	3,299	(17,961)
Refund of Prior Year Expenditures	(16,515)	(16,515)	1,067	17,582
Advance In	44,155	44,155	147,605	103,450
Transfer Out	(305,000)	(303,802)	(279,502)	24,300
<b>Total Other Financing Sources/(Uses)</b>	<b>(233,400)</b>	<b>(232,202)</b>	<b>(127,531)</b>	<b>104,671</b>
<b>Net Change in Fund Balance</b>	<b>(3,674,452)</b>	<b>(5,433,260)</b>	<b>(4,809,241)</b>	<b>624,019</b>
Fund Balance/(Deficit) at the Beginning of Year	11,437,985	11,437,985	11,437,985	-
Prior year encumbrances appropriated	781,893	781,893	781,893	-
<b>Fund Balance/(Deficit) at the End of Year</b>	<b>\$ 8,545,426</b>	<b>\$ 6,786,618</b>	<b>\$ 7,410,637</b>	<b>\$ 624,019</b>

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Statement of Fund Assets*  
*Proprietary Funds*  
*June 30, 2004*

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Lunchroom/ Cafeteria	Fund
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 144,354	\$ 2,996,014
Receivables:		
Accounts	-	1,435
Intergovernmental	266,358	-
Due from Other Funds	-	976,994
Prepaid Items		
Inventory Held For Resale	41,499	-
Materials and Supplies Inventory	5,326	-
	457,537	3,974,443
<i>Total Current Assets</i>		
Capital Assets, Net of Accumulated Depreciation	185,087	-
	642,624	3,974,443
<i>Total Assets</i>		
<b>Liabilities</b>		
Accounts Payable	50,864	-
Accrued Wages	80,097	2,258
Due to Other Funds	30,374	-
Intergovernmental Payable	5,170	259
Pension Obligation Payable	78,340	3,029
Claims Payable	-	1,014,700
	244,845	1,020,246
<i>Total Current Liabilities</i>		
Long-Term Liabilities:		
Compensated Absences Payable	-	2,274
	244,845	1,022,520
<i>Total Liabilities</i>		
<b>Net Assets</b>		
Invested in Capital Assets	185,087	-
Unrestricted	212,692	2,951,923
	397,779	2,951,923
<i>Total Net Assets (Deficit)</i>	\$ 397,779	\$ 2,951,923

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, 2004*

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Lunchroom/ Cafeteria	
Operating Revenues:		
Charges for Services	\$ -	\$ 7,223,265
Food Services	885,967	-
Other Operating Revenues	-	153
<i>Total Operating Revenues</i>	<u>885,967</u>	<u>7,223,418</u>
Operating Expenses:		
Salaries	749,263	34,254
Fringe Benefits	327,160	180,537
Purchased Services	417,451	415,433
Materials and Supplies	126,252	-
Cost of Sales	967,907	-
Depreciation	30,599	-
Claims	-	6,062,760
<i>Total Operating Expenses</i>	<u>2,618,632</u>	<u>6,692,984</u>
<i>Operating Income (Loss)</i>	<u>(1,732,665)</u>	<u>530,434</u>
Non-Operating Revenues (Expenses):		
Federal Donated Commodities	166,551	-
Intergovernmental	1,677,752	-
Interest	542	24,993
<i>Total Non-Operating Revenues (Expenses)</i>	<u>1,844,845</u>	<u>24,993</u>
<i>Change in Net Assets</i>	112,180	555,427
<i>Net Assets (Deficit) Beginning of Year, Restated (See Note 20)</i>	<u>285,599</u>	<u>2,396,496</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$ 397,779</u>	<u>\$ 2,951,923</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, 2004*

	Business-Type Activities - - Enterprise Fund		Governmental Activities - Internal Service Fund
	Lunchroom/ Cafeteria		Fund
<b>Increase (Decrease in Cash and Cash Equivalents)</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 885,967	\$	6,246,271
Cash Payments to Employees for Services	(750,522)		(40,342)
Cash Payments for Employees Benefit	(334,498)		(181,205)
Cash Payments for Goods and Services	(1,356,719)		(415,463)
Cash Payments for Claims	-		(5,963,560)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(1,555,772)</u>		<u>(354,299)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Grants Received	1,623,882		-
Advance Out	(147,605)		-
<i>Net Cash Provided by (Use by) Noncapital Financing Activities</i>	<u>1,476,277</u>		<u>-</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investment	542		24,993
<i>Net Cash Provided by (Used by) Investing Activities</i>	<u>542</u>		<u>24,993</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(78,953)		(329,306)
<i>Cash and Cash Equivalents Beginning of Year</i>	223,307		3,325,320
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 144,354</u>	<u>\$</u>	<u>2,996,014</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>			
<i>Operating Income (Loss)</i>	\$ (1,732,665)	\$	530,434
Adjustments:			
Depreciation	30,599		-
Donated Commodities	166,551		-
(Increase) Decrease in Assets:			
Accounts Receivable	-		(153)
Inventory Held for Resale	6,031		-
Materials and Supplies Inventory	1,632		-
Due from Other Funds	-		(116,469)
Increase (Decrease) in Liabilities:			
Accounts Payable	17,954		(879)
Accrued Wages	(618)		(5,966)
Compensated Absences Payable			43
Pension Obligation Payable	(23,420)		181
Intergovernmental Payable	(641)		(165)
Due to Other Funds	16,082		-
Deferred Revenue	(37,277)		(860,525)
Claims Payable	-		99,200
<i>Total Adjustments</i>	<u>176,893</u>		<u>(884,733)</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ (1,555,772)</u>	<u>\$</u>	<u>(354,299)</u>

See accompanying notes to the basic financial statements

**Elyria City School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2004*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 260,830	\$ 198,847
<i>Total Assets</i>	260,830	198,847
<b>Liabilities</b>		
Accounts Payable	-	3,580
Due to Students	-	195,267
<i>Total Liabilities</i>	-	\$ 198,847
<b>Net Assets</b>		
Held in Trust for Scholarships	260,830	
<i>Total Net Assets</i>	\$ 260,830	

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, 2004*

	Private Purpose Trust
	Scholarship
<b>Additions</b>	
Interest	\$ 365
Other Operating Revenues	28,022
<i>Total Additions</i>	28,387
<b>Deduction</b>	3,550
<i>Change in Net Assets</i>	24,837
<i>Net Assets Beginning of Year</i>	235,993
<i>Net Assets End of Year</i>	\$ 260,830

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, 2004*

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**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 after 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, 2004*

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**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, 2004*

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***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, 2004*

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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 fund 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, 2004, but which were levied to finance fiscal year 2005 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, 2004*

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***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 2004.

***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, except for general fund which is at the function 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 or alter total function appropriations within a fund 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, 2004*

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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 2004, the District invested in 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, 2004.

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 \$272,196, and to other governmental funds amounted to \$2,538 during fiscal year 2004.

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, 2004*

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***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, 2004, 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, 2004*

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.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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***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 equity 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 signify 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, 2004*

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***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 2004.

***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, 2004*

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**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:

Net Change in Fund Balance

Budget Basis	(\$4,809,241)
Net Adjustment for Revenue Accruals	(770,657)
Net Adjustment for Expenditure Accruals	1,836,076
Adjustment for Encumbrances	<u>(979,771)</u>
GAAP Basis	<u>(\$4,723,593)</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*  
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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, 2004

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 \$2,500 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 (\$779,281) and the bank balance was \$216,392. Of the bank balance:

1. \$104,000 was covered by federal depository insurance; and
2. \$112,392 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. The School District invested in STAROhio during fiscal year 2004, which is not classified by degree of credit risk since it is not evidenced by securities that exist in the physical or book entry form.

	Category 2	Category 3	Fair Value
Categorized Investments:			
Money Market	\$0	\$766,610	\$766,610
Repurchase Agreement	0	220,000	220,000
Federal National Mortgage Assistant Discount Notes	3,475,885	0	3,475,885
Federal Home Loan Mortgage Discount Notes	1,977,664	0	1,977,664
Federal Home Loan Mortgage Notes	4,985,407		4,985,407
Federal Home Loan Discount Notes	3,993,217	0	3,993,217
Total Categorized Investments	14,432,173	986,610	15,418,783
Non-categorized Investment:			
STAR Ohio	0	0	1,795,040
Total Investments	\$14,432,173	\$986,610	\$17,213,823



**Elyria City School District**  
*Notes to the Basic Financial Statements*  
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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	\$1,999,869	\$14,432,173
Cash on Hand	2,500	0
Investments which are part of the Cash Management Pool:		
Money Market	(766,610)	766,610
Repurchase Agreement	(220,000)	220,000
STAROhio	(1,795,040)	1,795,040
GASB Statement 3	(\$779,281)	\$17,213,823

**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 2004 for real and public utility property taxes represents collections of calendar 2003 taxes. Property tax payments received during calendar 2004 for tangible personal property (other than public utility property) is for calendar 2004 taxes.

2004 real property taxes are levied after April 1, 2004, on the assessed value listed as of January 1, 2004, 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. 2004 public utility property taxes became a lien December 31, 2003, are levied after April 1, 2004, and are collected in 2004 with real property taxes.

2004 tangible personal property taxes are levied after April 1, 2004 on the value as of December 31, 2003. Collections are made in 2004. 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, 2004*

	2003 Second Half Collections		2004 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Agricultural/Residential and Other Real Estate	\$528,391,310	55.28%	\$562,129,020	56.55%
Commercial and Industrial	232,282,390	24.31	253,226,380	25.47
Public Utility	144,816	0.02	153,880	0.02
Tangible Property:				
Personal Property	160,437,610	16.78	146,627,529	14.75
Public Utility	34,479,990	3.61	31,978,290	3.21
<b>Total Assessed Value</b>	<b>\$955,736,116</b>	<b>100.00%</b>	<b>\$994,115,099</b>	<b>100.00%</b>
 Tax rate per \$1,000 of assessed valuation	 \$56.81		 \$56.48	

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, 2004, 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, 2004 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, 2004, was \$3,884,971. \$3,861,102 was available to the general fund, and \$23,869 was available to the bond retirement fund.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**Note 6 – Receivable**

Receivables at June 30, 2004, 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
Auxiliary Service	\$34,031
Ohio Read Grant	121,500
Adult Education	25,506
Title VI-B	158,150
Title I	595,272
Title VI	64,150
Drug Free School Grant	66
Class Size Reduction	182,587
Miscellaneous Federal Grants	53,190
 Total Intergovernmental Receivable	 \$1,234,452

**Note 7 – Interfund Balances**

**A. Interfund Transfers**

Interfund transfers for the year ended June 30, 2004, consisted of the following, as reported on the fund financial statements:

	Transfer In	Transfer Out
Major Governmental Fund:		
General	\$0	(\$279,502)
Nonmajor Governmental Funds:		
Miscellaneous Federal Grants	7,403	0
Permanent Improvement	272,099	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 out the funds that are not longer required.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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

The due from/to other funds consisted of the following at June 30, 2004, as reported on the fund financial statements:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Governmental Fund:		
General	\$0	\$843,462
Nonmajor Governmental Funds:		
Auxiliary Service	0	2,648
Disadvantage Pupil Impact Aid	0	31,778
Alternative School	0	3,419
Title VI-B	0	25,804
Title I	0	29,539
Preschool Handicapped Grant	0	1,573
Class Size Reduction	0	8,397
Enterprise Fund:		
Lunchroom/Cafeteria	0	30,374
Internal Service Fund:		
Self-Insurance	976,994	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, 2004*

**Note 8 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Balance 7/1/2003	Addition	Deletion	Balance 6/30/2004
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 513,251	\$ 74,909	\$ -	\$ 588,160
<i>Total Capital Assets, not being depreciated:</i>	<u>513,251</u>	<u>74,909</u>	<u>-</u>	<u>588,160</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	7,744,677	105,860	-	7,850,537
Vehicles	668,033	-	-	668,033
Library and Textbooks	1,679,422	-	-	1,679,422
<i>Total Capital Assets, being depreciated:</i>	<u>35,893,854</u>	<u>105,860</u>	<u>-</u>	<u>35,999,714</u>
Less Accumulated Depreciation:				
Land Improvements	(1,329,775)	(38,410)	-	(1,368,185)
Building and Improvements	(21,888,459)	(166,453)	-	(22,054,912)
Furniture, Equipment, and Fixtures	(4,606,605)	(1,067,232)	-	(5,673,837)
Vehicles	(641,726)	(7,633)	-	(649,359)
Library and Textbooks	(1,537,855)	(138,365)	-	(1,676,220)
<i>Total Accumulated Depreciation</i>	<u>(30,004,420)</u>	<u>(1,418,093)</u>	<u>-</u>	<u>(31,422,513)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>5,889,434</u>	<u>(1,312,233)</u>	<u>-</u>	<u>4,577,201</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,402,685</u>	<u>\$(1,237,324)</u>	<u>\$ -</u>	<u>\$ 5,165,361</u>
<b>Business-Type Activities</b>				
Furniture, Equipment and Fixtures	\$ 525,220	\$ -	\$ -	\$ 525,220
Less Accumulated Depreciation	(309,534)	(30,599)	-	(340,133)
Business-Type Activities Capital Assets, Net	<u>\$ 215,686</u>	<u>\$ (30,599)</u>	<u>\$ -</u>	<u>\$ 185,087</u>

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 919,801
Special	584
Vocational	7,617
Adult	551
Support Services:	
Pupil	14,791
Instructional Staff	176,560
Administration	58,562
Fiscal	535
Pupil Transportation	14,506
Central	199,834
Operations of Non-instructional Services	869
Extracurricular Activities	23,883
Total Depreciation Expense	\$ 1,418,093

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 transfer 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 qualify 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 gross amount of assets acquired under capital leases by major assets class was \$358,082.

The future minimum lease obligations and the net present values of these minimum lease payments as of June 30, 2004, were as follow:

Year Ending June 30,	
2005	52,080
2006	26,040
Total Minimum Lease Payments	78,120
Less: Amount Representing Interest	(10,180)
Present Value of Minimum Lease Payment	\$67,940

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2004

**Note 10 – Long-term liabilities**

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

	Principal Outstanding 7/1/2003	Additions	Reductions	Principal Outstanding 6/30/2004	Amounts Due in One Year
<b>Governmental Activities</b>					
1992 Library Construction Bonds	\$ 1,050,000	-	(330,000)	\$ 720,000	\$ 350,000
Capital Leases	113,234	-	(45,294)	67,940	45,294
Compensated Absences	5,125,659	1,732,886	(3,064,817)	3,793,728	283,372
Total Governmental Activities Long-Term Liabilities	<u>\$ 6,288,893</u>	<u>1,732,886</u>	<u>(3,440,111)</u>	<u>\$ 4,581,668</u>	<u>\$ 678,666</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, 2004, including interest payments, are as follow:

Fiscal Year	Principal	Interest	Total
2005	350,000	34,160	384,160
2006	370,000	11,655	381,655
Total	<u>\$720,000</u>	<u>\$45,815</u>	<u>\$765,815</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 2004 the School District contracted with Indiana Insurance Company for property insurance. Professional liability is protected by Indiana Insurance Company with \$5,000,000 aggregate limit.

Vehicles are covered by Indiana Insurance 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 if liability in the current year.

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.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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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 \$1,014,000 reported in the self-insurance fund at June 30, 2004 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
2002	\$677,444	\$5,454,548	\$5,428,648	\$703,344
2003	\$703,344	\$6,029,007	\$5,817,351	\$915,000
2004	\$915,000	\$6,062,760	\$5,963,060	\$1,014,700



**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**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 10 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, 2004, 2003, and 2002 were \$1,424,124, \$1,355,184, and \$2,085,328, respectively; 37.88 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$884,719 representing the unpaid contribution for fiscal year 2004 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, 2004, plan members are required to contribute 10 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, 2004, 2003, and 2002 were \$5,111,471, \$4,838,292, and \$5,942,922, respectively; 83.51 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. \$842,719 representing the unpaid contribution for fiscal year 2004 is recorded as a liability.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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***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, 2004, 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, 2003 (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 \$1,642,973 for fiscal year 2004.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2003 (the latest information available), the balance in the Fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000 and STRS had 108,294 eligible benefit recipients.

For this fiscal year, SERS employer contributions to fund health care benefits were 4.91 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 2004, 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, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2003 SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$619,325 during the 2004 fiscal year.

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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**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 2004, the School District contributed \$253,610.

**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, 2004.

*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, 2004*

	<u>Textbooks</u>	<u>Capital Improvement</u>	<u>Total</u>
Set-aside balance as of June 30, 2003	(\$1,095,911)	\$0	(\$1,095,911)
Current year set-aside requirement	1,139,893	1,139,893	2,279,786
Qualifying expenditures	<u>(1,687,178)</u>	<u>(1,622,166)</u>	<u>(3,309,344)</u>
Totals	<u>(\$1,643,196)</u>	<u>(\$482,273)</u>	<u>(\$2,125,469)</u>
Cash balance carried forward to FY 2004	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2003, 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, 2004 include the following individual fund deficit:

<u>Funds</u>	<u>Deficit Fund Balance</u>
Nonmajor Special Revenue Funds	
Disadvantaged Pupil Impact Aid	\$261,362
Alternative School	23,492
Preschool Handicapped Grant	7,115

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, 2004

*B. Legal Compliance*

- Various funds in 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 properly encumber certain transactions during the year, contrary to Ohio Revised Code §5705.41(D). The result caused various funds in special revenue funds had 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, 2003, 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, 2003 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.

	Ending Fund Balance at June 30, 2003	Fund Reclassification	Beginning Fund Balance at July 1, 2003
Nonmajor Special Revenue Funds:			
Special Trust	\$ 47,948	(47,842)	\$ 106
Rotary	\$ 2,528	47,948	\$ 50,476
Public School Support	\$ 132,403	(107)	\$ 132,296
Continuous Improvement	\$ 44,967	(44,967)	\$ -
Miscellaneous Federal Grants	\$ 15,899	44,967	\$ 60,866

**Note 20 – Restatement of Fund Balances and Net Assets**

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

	Ending Fund Balance at June 30, 2003	Fund Reclassification	Restated Assets	Beginning Fund Balance at July 1, 2003
Major Governmental Fund:				
General	\$ 8,964,340	-	147,605	\$ 9,111,945
Nonmajor Special Revenue Funds:				
Special Trust	\$ 47,640	(47,374)	-	\$ 266
Rotary	\$ 2,459	47,640	-	\$ 50,099
Public School Support	\$ 163,735	(266)	-	\$ 163,469
Continuous Improvement	\$ 41,818	(41,818)	-	\$ -
Miscellaneous Federal Grants	\$ 81,127	41,818	-	\$ 122,945

**Elyria City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2004*

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***Restatement of Net Assets*** The restatements of fund equity for correction of prior year assets and liabilities had the following effect on the net assets of the governmental and business-type activities of the School District as they were previously reported.

	Governmental Activities	Business-type Activities	Total
Fund Balances at June 30, 2003	\$ 19,688,603	\$ 375,502	\$ 20,064,105
Restated Assets	147,605	-	147,605
Restated Liabilities	<u>(57,702)</u>	<u>(89,903)</u>	<u>(147,605)</u>
Fund Balances at July 1, 2003	<u>\$ 19,778,506</u>	<u>\$ 285,599</u>	<u>\$ 20,064,105</u>

**Elyria City School District**

**Combining Statements and Individual Fund Schedules**

## 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.

***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.

***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 paying the cost of preschool programs for three and four year olds.

***Entry Year Teacher Fund*** This fund accounts for stipends given to the mentor teachers.

***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.

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

***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.

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

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

***Title VI Fund*** This fund accounts for Federal monies 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.

***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.

***Federal Emergency Repair Program Fund*** This fund accounts for Federal monies to be used for building repair.

**Elyria City School District**

Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,754,535	\$ 540,747	\$ 2,153,940	\$ 4,449,222
<b>Receivables:</b>				
Taxes	-	171,989	-	171,989
Accounts	1,873	-	-	1,873
Intergovernmental	1,234,452	-	-	1,234,452
<b>Materials and Supplies</b>				
Inventory	4,249	-	-	4,249
<b>Total Assets</b>	<b>2,995,109</b>	<b>712,736</b>	<b>2,153,940</b>	<b>5,861,785</b>
<b>Liabilities:</b>				
Accounts Payable	321,701	-	31,386	353,087
Accrued Wages	570,229	-	-	570,229
Compensated Absences Payable	7,651	-	-	7,651
Pension Obligation Payable	96,888	-	-	96,888
Due to Other Funds	103,158	-	-	103,158
Intergovernmental Payable	35,712	-	-	35,712
Deferred Revenue	462,213	148,120	-	610,333
<b>Total Liabilities</b>	<b>1,597,552</b>	<b>148,120</b>	<b>31,386</b>	<b>1,777,058</b>
<b>Fund Balance:</b>				
Reserved for Encumbrances	476,354	-	65,106	541,460
Reserved for Property Taxes	-	23,869	-	23,869
Reserved for Debt Service	-	540,747	-	540,747
<b>Unreserved:</b>				
Undesignated	921,203	-	2,057,448	2,978,651
<b>Total Fund Balance</b>	<b>1,397,557</b>	<b>564,616</b>	<b>2,122,554</b>	<b>4,084,727</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,995,109</b>	<b>\$ 712,736</b>	<b>\$ 2,153,940</b>	<b>\$ 5,861,785</b>

**Elyria City School District**

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

For the Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ -	\$ 173,316	\$ -	\$ 173,316
Intergovernmental	8,389,403	19,235	161,488	8,570,126
Interest	2,538	-	-	2,538
Extracurricular Activities	246,605	-	-	246,605
Classroom Materials and Fees	250,386	-	-	250,386
Miscellaneous	297,448	-	-	297,448
<b>Total Revenues</b>	<b>9,186,380</b>	<b>192,551</b>	<b>161,488</b>	<b>9,540,419</b>
Expenditures:				
Current:				
Instruction:				
Regular	1,561,987	-	38,838	1,600,825
Special	2,500,124	-	-	2,500,124
Adult/Continuing	68,953	-	-	68,953
Support Services:				
Pupils	880,409	-	-	880,409
Instructional Staff	1,924,675	-	-	1,924,675
Administration	699,735	-	-	699,735
Fiscal	30,065	2,841	-	32,906
Operation and Maintenance of Plant	2,028	-	219,437	221,465
Pupil Transportation	77,010	-	-	77,010
Central	15,054	-	69,800	84,854
Operation of Non-Instructional Services	1,083,759	-	-	1,083,759
Extracurricular Activities	449,284	-	-	449,284
Capital Outlay	-	-	652,687	652,687
Debt Service:				
Principal Retirement	-	330,000	-	330,000
Interest and Fiscal Charges	-	54,828	-	54,828
<b>Total Expenditures</b>	<b>9,293,083</b>	<b>387,669</b>	<b>980,762</b>	<b>10,661,514</b>
Excess of Revenues Over (Under) Expenditures	(106,703)	(195,118)	(819,274)	(1,121,095)
Other Financing Sources (Uses):				
Transfers In	7,403	-	272,099	279,502
<b>Total Other Financing Sources (Uses)</b>	<b>7,403</b>	<b>-</b>	<b>272,099</b>	<b>279,502</b>
Net Change in Fund Balances	(99,300)	(195,118)	(547,175)	(841,593)
Fund Balance (Deficit) at Beginning of Year, Restated (See Note 20)	1,496,857	759,734	2,669,729	4,926,320
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 1,397,557</b>	<b>\$ 564,616</b>	<b>\$ 2,122,554</b>	<b>\$ 4,084,727</b>

**Elyria City School District**

Combining Balance Sheet  
Nonmajor Special Revenue Funds

June 30, 2004

	Special Trust	Uniform School Supplies	Rotary	Public School Support
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 323,718	\$ 87,426	\$ 127,848
<b>Receivables:</b>				
Accounts	-	1,873	-	-
Intergovernmental	-	-	-	-
Materials and Supplies Inventory	-	344	-	1,640
<b>Total Assets</b>	<b>-</b>	<b>325,935</b>	<b>87,426</b>	<b>129,488</b>
<b>Liabilities:</b>				
Accounts Payable	-	42,855	5,782	1,602
Accrued Wages	-	-	-	-
Compensated Absences Payable	-	-	-	-
Pension Obligation Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Intergovernmental Payable	-	-	63	-
Deferred Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>42,855</b>	<b>5,845</b>	<b>1,602</b>
<b>Fund Balance:</b>				
Reserved for Encumbrances	-	12,936	7,179	10,240
Unreserved: Undesignated	-	270,144	74,402	117,646
<b>Total Fund Balance</b>	<b>-</b>	<b>283,080</b>	<b>81,581</b>	<b>127,886</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ -</b>	<b>\$ 325,935</b>	<b>\$ 87,426</b>	<b>\$ 129,488</b>

Local Grants	Athletic and Music	Auxiliary Services	Education Management Information System	Public School Preschool	Entry Year Teacher	Disadvantaged Pupil Impact Aid
\$ 36,811	\$ 151,263	\$ 246,286	\$ 62,054	\$ -	\$ 704	\$ 748
-	-	-	-	-	-	-
-	-	34,031	-	-	-	-
-	-	-	-	-	-	-
<u>36,811</u>	<u>151,263</u>	<u>280,317</u>	<u>62,054</u>	<u>-</u>	<u>704</u>	<u>748</u>
381	-	39,804	139	-	-	-
-	-	19,321	-	-	-	181,227
-	-	-	-	-	-	7,651
160	-	3,099	-	-	-	30,253
-	-	2,648	-	-	-	31,778
-	-	2,343	-	-	103	11,201
-	-	33,971	-	-	-	-
<u>541</u>	<u>-</u>	<u>101,186</u>	<u>139</u>	<u>-</u>	<u>103</u>	<u>262,110</u>
460	2,970	206,197	-	-	-	-
<u>35,810</u>	<u>148,293</u>	<u>(27,066)</u>	<u>61,915</u>	<u>-</u>	<u>601</u>	<u>(261,362)</u>
<u>36,270</u>	<u>151,263</u>	<u>179,131</u>	<u>61,915</u>	<u>-</u>	<u>601</u>	<u>(261,362)</u>
<u>\$ 36,811</u>	<u>\$ 151,263</u>	<u>\$ 280,317</u>	<u>\$ 62,054</u>	<u>\$ -</u>	<u>\$ 704</u>	<u>\$ 748</u>

(Continued)

**Elyria City School District**

Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)

June 30, 2004

	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer School</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 171,616	\$ 1,850	\$ 47,390	\$ 24,622
<b>Receivables:</b>				
Accounts	-	-	-	-
Intergovernmental	-	-	121,500	-
Materials and Supplies Inventory	-	-	-	-
<b>Total Assets</b>	<u>171,616</u>	<u>1,850</u>	<u>168,890</u>	<u>24,622</u>
<b>Liabilities:</b>				
Accounts Payable	-	-	27,843	2,944
Accrued Wages	-	-	-	-
Compensated Absences Payable	-	-	-	-
Pension Obligation Payable	-	-	-	5,269
Due to Other Funds	-	-	-	-
Intergovernmental Payable	-	-	-	334
Deferred Revenue	-	-	121,500	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>149,343</u>	<u>8,547</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	10,000	-	19,034	336
Unreserved:				
Undesignated	<u>161,616</u>	<u>1,850</u>	<u>513</u>	<u>15,739</u>
<b>Total Fund Balance</b>	<u>171,616</u>	<u>1,850</u>	<u>19,547</u>	<u>16,075</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 171,616</u>	<u>\$ 1,850</u>	<u>\$ 168,890</u>	<u>\$ 24,622</u>

Alternative School	Miscellaneous State Grants	Adult Basic Education	Title VI-B	Title I	Title VI	Drug Free School Grant
\$ 12,522	\$ 21,322	\$ 7,283	\$ 114,778	\$ 191,787	\$ 25,123	\$ 5,624
-	-	-	-	-	-	-
-	-	25,506	158,150	595,272	64,150	66
-	-	-	-	2,265	-	-
<u>12,522</u>	<u>21,322</u>	<u>32,789</u>	<u>272,928</u>	<u>789,324</u>	<u>89,273</u>	<u>5,690</u>
-	150	3,907	96,627	75,580	13,147	5,689
30,356	-	91	89,057	191,622	-	-
-	-	-	-	-	-	-
685	360	1,837	12,867	33,753	-	-
3,419	-	-	25,804	29,539	-	-
1,554	-	684	5,449	11,030	12	-
-	-	4,182	-	94,464	51,216	-
<u>36,014</u>	<u>510</u>	<u>10,701</u>	<u>229,804</u>	<u>435,988</u>	<u>64,375</u>	<u>5,689</u>
-	7,201	54	16,636	150,849	25,661	-
<u>(23,492)</u>	<u>13,611</u>	<u>22,034</u>	<u>26,488</u>	<u>202,487</u>	<u>(763)</u>	<u>1</u>
<u>(23,492)</u>	<u>20,812</u>	<u>22,088</u>	<u>43,124</u>	<u>353,336</u>	<u>24,898</u>	<u>1</u>
<u>\$ 12,522</u>	<u>\$ 21,322</u>	<u>\$ 32,789</u>	<u>\$ 272,928</u>	<u>\$ 789,324</u>	<u>\$ 89,273</u>	<u>\$ 5,690</u>

(Continued)



**Elyria City School District**

Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)

June 30, 2004

	Preschool Handicapped Grant	Class Size Reduction	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,535	\$ 58,015	\$ 33,210	\$ 1,754,535
<b>Receivables:</b>				
Accounts	-	-	-	1,873
Intergovernmental	-	182,587	53,190	1,234,452
Materials and Supplies Inventory	-	-	-	4,249
<b>Total Assets</b>	<u>2,535</u>	<u>240,602</u>	<u>86,400</u>	<u>2,995,109</u>
<b>Liabilities:</b>				
Accounts Payable	575	842	3,834	321,701
Accrued Wages	6,103	52,452	-	570,229
Compensated Absences Payable	-	-	-	7,651
Pension Obligation Payable	1,080	7,525	-	96,888
Due to Other Funds	1,573	8,397	-	103,158
Intergovernmental Payable	319	2,610	10	35,712
Deferred Revenue	-	113,347	43,533	462,213
<b>Total Liabilities</b>	<u>9,650</u>	<u>185,173</u>	<u>47,377</u>	<u>1,597,552</u>
<b>Fund Balance:</b>				
Reserved for Encumbrances	-	1,475	5,126	476,354
Unreserved: Undesignated	<u>(7,115)</u>	<u>53,954</u>	<u>33,897</u>	<u>921,203</u>
<b>Total Fund Balance</b>	<u>(7,115)</u>	<u>55,429</u>	<u>39,023</u>	<u>1,397,557</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 2,535</u>	<u>\$ 240,602</u>	<u>\$ 86,400</u>	<u>\$ 2,995,109</u>

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**Elyria City School District**

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

For the Year Ended June 30, 2004

	Special Trust	Uniform School Supplies	Rotary	Public School Support
Revenues:				
Intergovernmental	\$ -	-	-	\$ -
Interest	-	-	-	-
Extracurricular Activities	276	-	-	110,348
Classroom Materials and Fees	-	250,386	-	-
Miscellaneous	-	1,873	80,622	127,856
<b>Total Revenues</b>	<b>276</b>	<b>252,259</b>	<b>80,622</b>	<b>238,204</b>
Expenditures:				
Current:				
Instruction:				
Regular	-	314,097	19,993	-
Special	-	23,280	-	-
Adult	-	-	364	-
Support Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	27,838	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Central	542	-	-	-
Operation of Non-Instructional Services	-	-	945	-
Extracurricular Activities	-	-	-	273,787
<b>Total Expenditures</b>	<b>542</b>	<b>337,377</b>	<b>49,140</b>	<b>273,787</b>
Excess of Revenues Over (Under) Expenditures	(266)	(85,118)	31,482	(35,583)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>(266)</b>	<b>(85,118)</b>	<b>31,482</b>	<b>(35,583)</b>
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 20)	266	368,198	50,099	163,469
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ -</b>	<b>283,080</b>	<b>81,581</b>	<b>\$ 127,886</b>

Local Grants	Athletic and Music	Auxiliary Services	Education Management Information System	Public School Preschool	Entry Year Teacher	Disadvantaged Pupil Impact Aid
\$ -	\$ -	\$ 1,073,394	\$ 29,127	\$ 83,010	\$ 13,200	\$ 1,614,935
-	-	2,538	-	-	-	-
-	135,981	-	-	-	-	-
-	-	-	-	-	-	-
22,063	65,034	-	-	-	-	-
22,063	201,015	1,075,932	29,127	83,010	13,200	1,614,935
2,321	-	-	-	-	-	1,067,987
1,000	-	-	-	60,537	11,969	-
-	-	-	-	-	-	-
40,068	-	-	-	500	-	312,045
35,542	-	-	-	14,398	-	132,338
-	-	-	-	7,575	630	266,241
-	30,065	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,019	-	-	-
-	-	990,833	-	-	-	-
12,389	163,108	-	-	-	-	-
91,320	193,173	990,833	2,019	83,010	12,599	1,778,611
(69,257)	7,842	85,099	27,108	-	601	(163,676)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(69,257)	7,842	85,099	27,108	-	601	(163,676)
105,527	143,421	94,032	34,807	-	-	(97,686)
\$ 36,270	\$ 151,263	\$ 179,131	\$ 61,915	\$ -	\$ 601	\$ (261,362)

(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, 2004

	Data Communication	SchoolNet Professional Development	Ohio Reads Grant	Summer School	Alternative School
Revenues:					
Intergovernmental	\$ 54,000	\$ 6,727	\$ 129,510	\$ 161,909	241,801
Interest	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Classroom Materials and Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>54,000</b>	<b>6,727</b>	<b>129,510</b>	<b>161,909</b>	<b>241,801</b>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	23,257	120,251
Special	-	-	53,492	156,313	-
Adult	-	-	-	-	-
Support Services:					
Pupils	-	-	-	-	-
Instructional Staff	-	-	64,079	-	44,458
Administration	-	-	-	395	99,574
Fiscal	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-
Pupil Transportation	-	-	-	-	-
Central	-	12,493	-	-	-
Operation of Non-Instructional Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>12,493</b>	<b>117,571</b>	<b>179,965</b>	<b>264,283</b>
Excess of Revenues Over (Under) Expenditures	54,000	(5,766)	11,939	(18,056)	(22,482)
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>54,000</b>	<b>(5,766)</b>	<b>11,939</b>	<b>(18,056)</b>	<b>(22,482)</b>
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 20)	117,616	7,616	7,608	34,131	(1,010)
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ 171,616</b>	<b>\$ 1,850</b>	<b>\$ 19,547</b>	<b>\$ 16,075</b>	<b>(23,492)</b>

Miscellaneous State Grants	Adult Basic Education	Title VI-B	Title I	Title VI	Drug Free School Grant
\$ 75,616	\$ 152,156	\$ 1,288,044	\$ 2,543,677	\$ 41,887	\$ 56,632
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
75,616	152,156	1,288,044	2,543,677	41,887	56,632
9,768	-	-	-	11	-
-	-	166,833	1,528,389	-	-
-	68,589	-	-	-	-
55,219	-	242,419	-	-	61,401
4,454	83,645	729,120	597,721	37,988	-
360	2,846	100,371	181,725	-	-
-	-	-	-	-	-
-	2,000	28	-	-	-
-	-	-	73,966	-	-
-	-	-	-	-	-
-	-	63,351	24,106	4,524	-
-	-	-	-	-	-
69,801	157,080	1,302,122	2,405,907	42,523	61,401
5,815	(4,924)	(14,078)	137,770	(636)	(4,769)
-	-	-	-	-	-
-	-	-	-	-	-
5,815	(4,924)	(14,078)	137,770	(636)	(4,769)
14,997	27,012	57,202	215,566	25,534	4,770
\$ 20,812	\$ 22,088	\$ 43,124	\$ 353,336	\$ 24,898	\$ 1

(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, 2004

	Preschool Handicapped Grant	Class Size Reduction	Miscellaneous Federal Grants	Total Non-major Special Revenue Funds
Revenues:				
Intergovernmental	\$ 62,192	\$ 566,479	\$ 195,107	\$ 8,389,403
Interest	-	-	-	2,538
Extracurricular Activities	-	-	-	246,605
Classroom Materials and Fees	-	-	-	250,386
Miscellaneous	-	-	-	297,448
<b>Total Revenues</b>	<b>62,192</b>	<b>566,479</b>	<b>195,107</b>	<b>9,186,380</b>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	4,302	1,561,987
Special	4,947	493,364	-	2,500,124
Adult	-	-	-	68,953
Support Services:				
Pupils	-	-	168,757	880,409
Instructional Staff	18,557	24,208	110,329	1,924,675
Administration	40,018	-	-	699,735
Fiscal	-	-	-	30,065
Operation and Maintenance of Plant	-	-	-	2,028
Pupil Transportation	-	-	3,044	77,010
Central	-	-	-	15,054
Operation of Non-Instructional Services	-	-	-	1,083,759
Extracurricular Activities	-	-	-	449,284
<b>Total Expenditures</b>	<b>63,522</b>	<b>517,572</b>	<b>286,432</b>	<b>9,293,083</b>
Excess of Revenues Over (Under) Expenditures	(1,330)	48,907	(91,325)	(106,703)
Other Financing Sources (Uses):				
Transfers In	-	-	7,403	7,403
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>7,403</b>	<b>7,403</b>
<b>Net Changes in Fund Balances</b>	<b>(1,330)</b>	<b>48,907</b>	<b>(83,922)</b>	<b>(99,300)</b>
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 20)	(5,785)	6,522	122,945	1,496,857
<b>Fund Balance (Deficit) at the End of the Year</b>	<b>\$ (7,115)</b>	<b>\$ 55,429</b>	<b>\$ 39,023</b>	<b>\$ 1,397,557</b>

**Elyria City School District**

Combining Balance Sheet  
Capital Projects Funds

June 30, 2004

	Permanent Improvement	Capital Building	SchoolNet Plus	Federal Emergency Repair Program	Total Non-major Capital Projects Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 2,146,303	\$ 53	\$ 574	\$ 7,010	\$ 2,153,940
Total Assets	<u>2,146,303</u>	<u>53</u>	<u>574</u>	<u>7,010</u>	<u>2,153,940</u>
Liabilities:					
Accounts Payable	31,386	-	-	-	31,386
Total Liabilities	<u>31,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,386</u>
Fund Balance:					
Reserved for Encumbrances	57,519	-	577	7,010	65,106
Unreserved: Undesignated	2,057,398	53	(3)	-	2,057,448
Total Fund Balance	<u>2,114,917</u>	<u>53</u>	<u>574</u>	<u>7,010</u>	<u>2,122,554</u>
Total Liabilities and Fund Balance	<u>\$ 2,146,303</u>	<u>\$ 53</u>	<u>\$ 574</u>	<u>\$ 7,010</u>	<u>\$ 2,153,940</u>



**Elyria City School District**

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

For the Year Ended June 30, 2004

	Permanent Improvement	Capital Building	SchoolNet Plus	Federal Emergency Repair Program	Total Non-major Capital Projects Funds
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 161,488	\$ 161,488
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,488</u>	<u>161,488</u>
Expenditures:					
Current:					
Instruction:					
Regular	38,838	-	-	-	38,838
Support Services:					
Operation and Maintenance of Plant	64,959	-	-	154,478	219,437
Central	68,939	-	861	-	69,800
Capital Outlay	<u>652,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>652,687</u>
Total Expenditures	<u>825,423</u>	<u>-</u>	<u>861</u>	<u>154,478</u>	<u>980,762</u>
Excess of Revenues Over (Under) Expenditures	(825,423)	-	(861)	7,010	(819,274)
Other Financing Sources (Uses):					
Transfers In	<u>272,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,099</u>
Total Other Financing Sources (Uses)	<u>272,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,099</u>
Net Changes in Fund Balances	(553,324)	-	(861)	7,010	(547,175)
Fund Balance (Deficit) at the Beginning of Year, Restated (See Note 20)	<u>2,668,241</u>	<u>53</u>	<u>1,435</u>	<u>-</u>	<u>2,669,729</u>
Fund Balance (Deficit) at the End of Year	<u>\$ 2,114,917</u>	<u>\$ 53</u>	<u>\$ 574</u>	<u>\$ 7,010</u>	<u>\$ 2,122,554</u>

**Elyria City School District**

Combining Statement of Change in Assets and Liabilities  
Agency Fund

For the Year Ended June 30, 2004

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Student Activities</b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 197,774	385,432	(384,359)	\$ 198,847
<b>Total Assets</b>	<u><u>\$ 197,774</u></u>	<u><u>385,432</u></u>	<u><u>(384,359)</u></u>	<u><u>\$ 198,847</u></u>
<b>Liabilities:</b>				
Accounts Payable	\$ -	3,580	-	\$ 3,580
Due to Students	197,774	384,359	(386,866)	195,267
<b>Total Liabilities</b>	<u><u>\$ 197,774</u></u>	<u><u>387,939</u></u>	<u><u>(386,866)</u></u>	<u><u>\$ 198,847</u></u>

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**Elyria City School District**

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

***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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Extracurricular Activities	\$ 276	\$ 276	\$ -
Total Revenues	276	276	-
<u>Expenditures:</u>			
Support Services:			
Central	241	542	(301)
Total Expenditures	241	542	(301)
Net Change in Fund Balance	35	(266)	(301)
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	106	106	-
Prior year encumbrances appropriated	160	160	-
Fund Balance/(Deficit) at the End of Year	\$ <u>301</u>	\$ <u>-</u>	\$ <u>(301)</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Classroom Materials and Fees	\$ 267,797	\$ 250,386	\$ (17,411)
Total Revenues	267,797	250,386	(17,411)
<u>Expenditures:</u>			
Instruction:			
Regular	420,139	334,837	85,302
Special	33,806	26,677	7,129
Total Expenditures	453,945	361,514	92,431
Net Change in Fund Balance	(186,148)	(111,128)	75,020
Fund Balance/(Deficit) at the Beginning of Year	353,658	353,658	-
Prior year encumbrances appropriated	25,398	25,398	-
Fund Balance/(Deficit) at the End of Year	\$ 192,908	\$ 267,928	\$ 75,020

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Miscellaneous	\$ 107,334	\$ 80,622	\$ (26,712)
Total Revenues	107,334	80,622	(26,712)
<u>Expenditures:</u>			
Instruction:			
Regular	81,478	27,268	54,210
Adult	369	364	5
Support Services:			
Instructional Staff	29,780	27,894	1,886
Central	2,386	-	2,386
Operation of Non-Instructional Services	4,267	1,180	3,087
Total Expenditures	118,280	56,706	61,574
Net Change in Fund Balance	(10,946)	23,916	34,862
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	50,476	50,476	-
Prior year encumbrances appropriated	71	71	-
Fund Balance/(Deficit) at the End of Year	\$ 39,601	\$ 74,463	\$ 34,862

***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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Extracurricular Activities	\$ 165,449	\$ 110,348	\$ (55,101)
Miscellaneous	180,412	127,856	(52,556)
Total Revenues	345,861	238,204	(107,657)
<u>Expenditures:</u>			
Extracurricular Activities	394,088	285,492	108,596
Total Expenditures	394,088	285,492	108,596
Net Change in Fund Balance	(48,227)	(47,288)	939
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	132,296	132,296	-
Prior year encumbrances appropriated	31,173	31,173	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 115,242</u>	<u>\$ 116,181</u>	<u>\$ 939</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Miscellaneous	\$ 114,832	\$ 22,063	\$ (92,769)
Total Revenues	114,832	22,063	(92,769)
<u>Expenditures:</u>			
Instruction:			
Regular	7,132	2,419	4,713
Special	1,000	1,000	-
Support Services:			
Pupils	40,470	40,470	-
Instructional Staff	51,293	39,415	11,878
Extracurricular Activities	32,334	12,505	19,829
Total Expenditures	132,229	95,809	36,420
Net Change in Fund Balance	(17,397)	(73,746)	(56,349)
Fund Balance/(Deficit) at the Beginning of Year	104,686	104,686	-
Prior year encumbrances appropriated	5,033	5,033	-
Fund Balance/(Deficit) at the End of Year	\$ 92,322	\$ 35,973	\$ (56,349)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Extracurricular Activities	\$ 238,527	\$ 135,981	\$ (102,546)
Miscellaneous	78,300	65,034	(13,266)
Total Revenues	316,827	201,015	(115,812)
<u>Expenditures:</u>			
Support Services:			
Fiscal	31,500	30,065	1,435
Extracurricular Activities	272,329	166,138	106,191
Total Expenditures	303,829	196,203	107,626
Excess of Revenues Over/ (Under) Expenditures	12,998	4,812	(8,186)
<u>Other Financing Sources/(Uses):</u>			
Refund of Prior Year Expenditures	-	60	60
Total Other Financing Sources/(Uses)	-	60	60
Net Change in Fund Balance	12,998	4,872	(8,126)
Fund Balance/(Deficit) at the Beginning of Year	131,237	131,237	-
Prior year encumbrances appropriated	12,183	12,183	-
Fund Balance/(Deficit) at the End of Year	\$ 156,418	\$ 148,292	\$ (8,126)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 1,201,004	\$ 1,089,448	\$ (111,556)
Interest	4,234	2,538	(1,696)
	<hr/>	<hr/>	<hr/>
Total Revenues	1,205,238	1,091,986	(113,252)
 <u>Expenditures:</u>			
Operation of Non-Instructional Services	1,362,632	1,362,632	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,362,632	1,362,632	-
Excess of Revenues Over/ (Under) Expenditures	(157,394)	(270,646)	(113,252)
 <u>Other Financing Sources/(Uses):</u>			
Refund of Prior Year Receipts	(16,114)	(16,114)	-
Transfer In	8,412	-	(8,412)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources/(Uses)	(7,702)	(16,114)	(8,412)
Net Change in Fund Balance	(165,096)	(286,760)	(121,664)
Fund Balance/(Deficit) at the Beginning of Year	10,201	10,201	-
Prior year encumbrances appropriated	276,945	276,945	-
	<hr/>	<hr/>	<hr/>
Fund Balance/(Deficit) at the End of Year	<u>\$ 122,050</u>	<u>\$ 386</u>	<u>\$ (121,664)</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 40,346	\$ 29,127	\$ (11,219)
Total Revenues	40,346	29,127	(11,219)
<u>Expenditures:</u>			
Support Services:			
Central	60,282	2,019	58,263
Total Expenditures	60,282	2,019	58,263
Net Change in Fund Balance	(19,936)	27,108	47,044
Fund Balance/(Deficit) at the Beginning of Year	34,562	34,562	-
Prior year encumbrances appropriated	243	243	-
Fund Balance/(Deficit) at the End of Year	\$ 14,869	\$ 61,913	\$ 47,044

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 112,124	\$ 83,010	\$ (29,114)
Total Revenues	112,124	83,010	(29,114)
<u>Expenditures:</u>			
Instruction:			
Special	60,537	60,537	-
Support Services:			
Pupils	500	500	-
Instructional Staff	14,398	14,398	-
Administration	7,575	7,575	-
Total Expenditures	83,010	83,010	-
Net Change in Fund Balance	29,114	-	(29,114)
Fund Balance/(Deficit) at the Beginning of Year	-	-	-
Fund Balance/(Deficit) at the End of Year	\$ 29,114	\$ -	\$ (29,114)

***Elyria City School District***

Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Entry Year Teacher Fund  
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 35,000	\$ 13,200	\$ (21,800)
Total Revenues	35,000	13,200	(21,800)
<u>Expenditures:</u>			
Instruction:			
Special	12,498	11,866	632
Support Services:			
Administration	702	630	72
Total Expenditures	13,200	12,496	704
Net Change in Fund Balance	21,800	704	(21,096)
Fund Balance/(Deficit) at the Beginning of Year	-	-	-
Fund Balance/(Deficit) at the End of Year	\$ 21,800	\$ 704	\$ (21,096)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 1,802,203	\$ 1,761,747	\$ (40,456)
Total Revenues	1,802,203	1,761,747	(40,456)
<u>Expenditures:</u>			
Instruction:			
Regular	1,068,866	1,068,866	-
Support Services:			
Pupils	307,423	307,423	-
Instructional Staff	129,419	129,419	-
Administration	255,292	255,292	-
Total Expenditures	1,761,000	1,761,000	-
Net Change in Fund Balance	41,203	747	(40,456)
Fund Balance/(Deficit) at the Beginning of Year	-	-	-
Fund Balance/(Deficit) at the End of Year	\$ 41,203	\$ 747	\$ (40,456)

***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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 113,095	\$ 54,000	\$ (59,095)
Total Revenues	113,095	54,000	(59,095)
<u>Expenditures:</u>			
Support Services:			
Central	171,616	10,000	161,616
Total Expenditures	171,616	10,000	161,616
Net Change in Fund Balance	(58,521)	44,000	102,521
Fund Balance/(Deficit) at the Beginning of Year	117,616	117,616	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 59,095</u>	<u>\$ 161,616</u>	<u>\$ 102,521</u>



***Elyria City School District***

Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
SchoolNet Professional Development Fund  
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 20,950	\$ 6,750	\$ (14,200)
Total Revenues	20,950	6,750	(14,200)
<u>Expenditures:</u>			
Support Services:			
Central	17,994	12,493	5,501
Total Expenditures	17,994	12,493	5,501
Excess of Revenues Over/ (Under) Expenditures	2,956	(5,743)	(8,699)
<u>Other Financing Sources/(Uses):</u>			
Refund of Prior Year Receipts	(23)	(23)	-
Total Other Financing Sources/(Uses)	(23)	(23)	-
Net Change in Fund Balance	2,933	(5,766)	(8,699)
Fund Balance/(Deficit) at the Beginning of Year	7,616	7,616	-
Fund Balance/(Deficit) at the End of Year	\$ 10,549	\$ 1,850	\$ (8,699)

***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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 217,500	\$ 129,510	\$ (87,990)
Total Revenues	217,500	129,510	(87,990)
<u>Expenditures:</u>			
Instruction:			
Special	105,687	105,684	3
Support Services:			
Instructional Staff	64,079	64,079	-
Total Expenditures	169,766	169,763	3
Net Change in Fund Balance	47,734	(40,253)	(87,987)
Fund Balance/(Deficit) at the Beginning of Year	12	12	-
Prior year encumbrances appropriated	40,754	40,754	-
Fund Balance/(Deficit) at the End of Year	\$ 88,500	\$ 513	\$ (87,987)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 400,000	\$ 161,909	\$ (238,091)
Total Revenues	400,000	161,909	(238,091)
<u>Expenditures:</u>			
Instruction:			
Regular	39,848	28,974	10,874
Special	170,180	151,442	18,738
Total Expenditures	210,028	180,416	29,612
Net Change in Fund Balance	189,972	(18,507)	(208,479)
Fund Balance/(Deficit) at the Beginning of Year	37,593	37,593	-
Prior year encumbrances appropriated	2,255	2,255	-
Fund Balance/(Deficit) at the End of Year	\$ 229,820	\$ 21,341	\$ (208,479)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 338,742	\$ 241,801	\$ (96,941)
Total Revenues	338,742	241,801	(96,941)
<u>Expenditures:</u>			
Instruction:			
Regular	111,081	106,140	4,941
Support Services:			
Instructional Staff	36,028	32,918	3,110
Administration	94,692	90,222	4,470
Total Expenditures	241,801	229,280	12,521
Net Change in Fund Balance	96,941	12,521	(84,420)
Fund Balance/(Deficit) at the Beginning of Year	-	-	-
Fund Balance/(Deficit) at the End of Year	\$ 96,941	\$ 12,521	\$ (84,420)

**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, 2004

	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
<u>Revenue:</u>			
Intergovernmental	\$ 161,602	\$ 75,814	\$ (85,788)
Total Revenues	161,602	75,814	(85,788)
<u>Expenditures:</u>			
Instruction:			
Regular	9,844	9,844	-
Support Services:			
Pupils	62,420	62,420	-
Instructional Staff	14,875	4,454	10,421
Administration	3,550	-	3,550
Total Expenditures	<u>90,689</u>	<u>76,718</u>	<u>13,971</u>
Excess of Revenues Over/ (Under) Expenditures	70,913	(904)	(71,817)
<u>Other Financing Sources/(Uses):</u>			
Refund of Prior Year Receipts	<u>(198)</u>	<u>(198)</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>(198)</u>	<u>(198)</u>	<u>-</u>
Net Change in Fund Balance	70,715	(1,102)	(71,817)
Fund Balance/(Deficit) at the Beginning of Year	<u>15,073</u>	<u>15,073</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 85,788</u>	<u>\$ 13,971</u>	<u>\$ (71,817)</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, 2004

	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
<u>Revenue:</u>			
Intergovernmental	\$ 231,196	\$ 130,897	\$ (100,299)
Total Revenues	231,196	130,897	(100,299)
<u>Expenditures:</u>			
Instruction:			
Adult	79,487	69,015	10,472
Support Services:			
Instructional Staff	104,286	86,617	17,669
Administration	3,836	3,148	688
Operation and Maintenance of Plant	2,000	2,000	-
Total Expenditures	189,609	160,780	28,829
Excess of Revenues Over/ (Under) Expenditures	41,587	(29,883)	(71,470)
<u>Other Financing Sources/(Uses):</u>			
Refund of Prior Year Receipts	(65)	(65)	-
Transfer In	19,104	-	(19,104)
Transfer Out	(24,243)	-	24,243
Total Other Financing Sources/(Uses)	(5,204)	(65)	5,139
Net Change in Fund Balance	36,383	(29,948)	(66,331)
Fund Balance/(Deficit) at the Beginning of Year	31,017	31,017	-
Prior year encumbrances appropriated	2,254	2,254	-
Fund Balance/(Deficit) at the End of Year	\$ 69,654	\$ 3,323	\$ (66,331)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 1,430,466	\$ 1,289,890	\$ (140,576)
Total Revenues	1,430,466	1,289,890	(140,576)
<u>Expenditures:</u>			
Instruction:			
Special	232,319	217,319	15,000
Support Services:			
Pupils	256,818	256,818	-
Instructional Staff	713,796	697,796	16,000
Administration	109,708	109,708	-
Operation and Maintenance of Plant	28	28	-
Operation of Non-Instructional Services	60,902	60,902	-
Total Expenditures	1,373,571	1,342,571	31,000
Net Change in Fund Balance	56,895	(52,681)	(109,576)
Fund Balance/(Deficit) at the Beginning of Year	(54,332)	(54,332)	-
Prior year encumbrances appropriated	103,130	103,130	-
Fund Balance/(Deficit) at the End of Year	\$ 105,693	\$ (3,883)	\$ (109,576)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 2,521,795	\$ 2,287,348	\$ (234,447)
Total Revenues	2,521,795	2,287,348	(234,447)
<u>Expenditures:</u>			
Instruction:			
Special	1,640,459	1,634,568	5,891
Support Services:			
Instructional Staff	664,759	638,617	26,142
Administration	211,293	191,293	20,000
Pupil Transportation	78,455	73,966	4,489
Operation of Non-Instructional Services	44,104	24,104	20,000
Total Expenditures	2,639,070	2,562,548	76,522
Excess of Revenues Over/ (Under) Expenditures	(117,275)	(275,200)	(157,925)
<u>Other Financing Sources/(Uses):</u>			
Advance In	3,000	-	(3,000)
Advance Out	(2,459)	-	2,459
Transfer In	157,771	-	(157,771)
Transfer Out	(46,331)	-	46,331
Total Other Financing Sources/(Uses)	111,981	-	(111,981)
Net Change in Fund Balance	(5,294)	(275,200)	(269,906)
Fund Balance/(Deficit) at the Beginning of Year	188,603	188,603	-
Prior year encumbrances appropriated	54,049	54,049	-
Fund Balance/(Deficit) at the End of Year	\$ 237,358	\$ (32,548)	\$ (269,906)



**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 67,413	\$ 29,114	\$ (38,299)
Total Revenues	67,413	29,114	(38,299)
<u>Expenditures:</u>			
Support Services:			
Instructional Staff	60,703	60,698	5
Operation of Non-Instructional Services	10,384	10,140	244
Total Expenditures	71,087	70,838	249
Excess of Revenues Over/ (Under) Expenditures	(3,674)	(41,724)	(38,050)
<u>Other Financing Sources/(Uses):</u>			
Transfer In	30,009	-	(30,009)
Transfer Out	(25,287)	-	25,287
Total Other Financing Sources/(Uses)	4,722	-	(4,722)
Net Change in Fund Balance	1,048	(41,724)	(42,772)
Fund Balance/(Deficit) at the Beginning of Year	25,484	25,484	-
Prior year encumbrances appropriated	2,941	2,941	-
Fund Balance/(Deficit) at the End of Year	\$ 29,473	\$ (13,299)	\$ (42,772)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 105,584	\$ 58,079	\$ (47,505)
Total Revenues	105,584	58,079	(47,505)
<u>Expenditures:</u>			
Instruction:			
Regular	534	534	-
Support Services:			
Pupils	61,401	61,335	66
Total Expenditures	61,935	61,869	66
Excess of Revenues Over/ (Under) Expenditures	43,649	(3,790)	(47,439)
<u>Other Financing Sources/(Uses):</u>			
Transfer In	7,510	-	(7,510)
Total Other Financing Sources/(Uses)	7,510	-	(7,510)
Net Change in Fund Balance	51,159	(3,790)	(54,949)
Fund Balance/(Deficit) at the Beginning of Year	(164)	(164)	-
Prior year encumbrances appropriated	3,954	3,954	-
Fund Balance/(Deficit) at the End of Year	\$ 54,949	\$ -	\$ (54,949)

***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, 2004

	<u>Budgeted Amount Final</u>	<u>Actual</u>	<u>Variance with Final Budget Over/ (Under)</u>
<u><i>Revenue:</i></u>			
Intergovernmental	\$ 92,435	\$ 62,192	\$ (30,243)
Total Revenues	92,435	62,192	(30,243)
<u><i>Expenditures:</i></u>			
Instruction:			
Special	4,947	4,947	-
Support Services:			
Instructional Staff	18,829	17,553	1,276
Administration	41,352	40,291	1,061
Total Expenditures	65,128	62,791	2,337
Excess of Revenues Over/ (Under) Expenditures	27,307	(599)	(27,906)
<u><i>Other Financing Sources/(Uses):</i></u>			
Refund of Prior Year Receipts	(106)	-	106
Total Other Financing Sources/(Uses)	(106)	-	106
Net Change in Fund Balance	27,201	(599)	(27,800)
Fund Balance/(Deficit) at the Beginning of Year	2,622	2,622	-
Prior year encumbrances appropriated	420	420	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 30,243</u>	<u>\$ 2,443</u>	<u>\$ (27,800)</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 585,321	\$ 556,104	\$ (29,217)
Total Revenues	585,321	556,104	(29,217)
<u>Expenditures:</u>			
Instruction:			
Special	498,913	496,292	2,621
Support Services:			
Instructional Staff	31,941	31,941	-
Operation of Non-Instructional Services	75	75	-
Total Expenditures	530,929	528,308	2,621
Excess of Revenues Over/ (Under) Expenditures	54,392	27,796	(26,596)
<u>Other Financing Sources/(Uses):</u>			
Transfer In	14,326	-	(14,326)
Transfer Out	(12,576)	-	12,576
Total Other Financing Sources/(Uses)	1,750	-	(1,750)
Net Change in Fund Balance	56,142	27,796	(28,346)
Fund Balance/(Deficit) at the Beginning of Year	28,129	28,129	-
Fund Balance/(Deficit) at the End of Year	\$ 84,271	\$ 55,925	\$ (28,346)

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Intergovernmental	\$ 425,338	\$ 259,766	\$ (165,572)
Total Revenues	425,338	259,766	(165,572)
<u>Expenditures:</u>			
Instruction:			
Regular	18,058	4,425	13,633
Support Services:			
Pupils	236,646	235,132	1,514
Instructional Staff	191,984	122,904	69,080
Administration	5,506	5,488	18
Pupil Transportation	4,911	4,911	-
Total Expenditures	457,105	372,860	84,245
Excess of Revenues Over/ (Under) Expenditures	(31,767)	(113,094)	(81,327)
<u>Other Financing Sources/(Uses):</u>			
Refund of Prior Year Expenditures	8,000	7,403	(597)
Total Other Financing Sources/(Uses)	8,000	7,403	(597)
Net Change in Fund Balance	(23,767)	(105,691)	(81,924)
Fund Balance/(Deficit) at the Beginning of Year, Restated (See Note 19)	60,866	60,866	-
Prior year encumbrances appropriated	69,755	69,755	-
Fund Balance/(Deficit) at the End of Year	<u>\$ 106,854</u>	<u>\$ 24,930</u>	<u>\$ (81,924)</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Revenue:</u>			
Taxes	\$ 171,919	\$ 174,782	\$ 2,863
Intergovernmental	19,200	19,234	34
Total Revenues	191,119	194,016	2,897
<u>Expenditures:</u>			
Support Services:			
Fiscal	40,173	2,841	37,332
Debt Service:			
Principal payments	330,000	330,000	-
Interest and fiscal charges	54,827	54,827	-
Total Expenditures	425,000	387,668	37,332
Net Change in Fund Balance	(233,881)	(193,652)	40,229
Fund Balance/(Deficit) at the Beginning of Year	734,399	734,399	-
Fund Balance/(Deficit) at the End of Year	\$ 500,518	\$ 540,747	\$ 40,229

**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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Expenditures:</u>			
Instruction:			
Regular	\$ 604,055	\$ 64,629	\$ 539,426
Support Services:			
Operation and Maintenance of Plant	70,376	64,959	5,417
Central	250,000	83,488	166,512
Capital Outlay	<u>705,375</u>	<u>700,411</u>	<u>4,964</u>
Total Expenditures	<u>1,629,806</u>	<u>913,487</u>	<u>716,319</u>
Excess of Revenues Over/ (Under) Expenditures	(1,629,806)	(913,487)	716,319
<u>Other Financing Sources/(Uses):</u>			
Transfer In	<u>125,000</u>	<u>272,099</u>	<u>147,099</u>
Total Other Financing Sources/(Uses)	<u>125,000</u>	<u>272,099</u>	<u>147,099</u>
Net Change in Fund Balance	(1,504,806)	(641,388)	863,418
Fund Balance/(Deficit) at the Beginning of Year	2,604,705	2,604,705	-
Prior year encumbrances appropriated	<u>99,164</u>	<u>99,164</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<u>\$ 1,199,063</u>	<u>\$ 2,062,481</u>	<u>\$ 863,418</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
Net Change in Fund Balance	-	-	-
Fund Balance/(Deficit) at the Beginning of Year	<u>53</u>	<u>53</u>	<u>-</u>
Fund Balance/(Deficit) at the End of Year	<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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
<u>Expenditures:</u>			
Support Services:			
Central	\$ 1,478	\$ 1,478	\$ -
Total Expenditures	1,478	1,478	-
Net Change in Fund Balance	(1,478)	(1,478)	-
Fund Balance/(Deficit) at the Beginning of Year	1,440	1,440	-
Prior year encumbrances appropriated	38	38	-
Fund Balance/(Deficit) at the End of Year	\$ -	\$ -	\$ -

**Elyria City School District**

Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP) and Actual  
Federal Emergency Repair Program  
For the Fiscal Year Ended June 30, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Over/ (Under)
	<u>Final</u>	<u>Actual</u>	<u>(Under)</u>
<u>Revenue:</u>			
Intergovernmental	\$ -	\$ 161,488	\$ (161,488)
Total Revenues	-	161,488	161,488
<u>Expenditures:</u>			
Support Services:			
Operation and Maintenance of Plant	168,716	161,488	7,228
Total Expenditures	168,716	161,488	7,228
Net Change in Fund Balance	(168,716)	-	168,716
Fund Balance/(Deficit) at the Beginning of Year	-	-	-
Fund Balance/(Deficit) at the End of Year	<u>\$ (168,716)</u>	<u>\$ -</u>	<u>\$ 168,716</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Under/ (Over)
<b>Operating Revenues:</b>			
Food Services	\$ 1,100,980	\$ 885,967	\$ (215,013)
<i>Total Operating Revenues</i>	<u>1,100,980</u>	<u>885,967</u>	<u>(215,013)</u>
<b>Operating Expenses:</b>			
Salaries	750,522	750,522	-
Fringe Benefits	334,498	334,498	-
Purchase Services	1,196,554	1,196,515	39
Supplies and Materials	162,371	162,371	-
Capital Outlay - New	36,225	36,225	-
<i>Total Operating Expenses</i>	<u>2,480,170</u>	<u>2,480,131</u>	<u>39</u>
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	(1,379,190)	(1,594,164)	(214,974)
<b>Non-operating Revenues/(Expenses) before Transfers:</b>			
Intergovernmental Revenues	1,253,101	1,846,845	593,744
Interest	483	542	59
<i>Total Non-operating Revenues/(Expenses) before Transfers</i>	1,253,584	1,847,387	593,803
Advances Out	(147,605)	(147,605)	-
Transfers In	170,305	-	(170,305)
Net Change in Fund Balance	(102,906)	105,618	208,524
Fund Balance (Deficit) at The Beginning of Year	<u>347</u>	<u>347</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u>\$ (102,559)</u>	<u>\$ 105,965</u>	<u>\$ 208,524</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Under/ (Over)
<b>Operating Revenues:</b>			
Charges for Services	\$ 5,071,766	\$ 6,246,271	\$ 1,174,505
<i>Total Operating Revenues</i>	<u>5,071,766</u>	<u>6,246,271</u>	<u>1,174,505</u>
<b>Operating Expenses:</b>			
Salaries	40,342	40,342	-
Fringe Benefits	182,478	181,205	1,273
Purchase Services	7,206,640	6,379,023	827,617
<i>Total Operating Expenses</i>	<u>7,429,460</u>	<u>6,600,570</u>	<u>828,890</u>
<i>Excess of Operating Revenues Over/ (Under) Operating Expenses</i>	(2,357,694)	(354,299)	2,003,395
<b>Non-operating Revenues/(Expenses):</b>			
Interest	70,662	24,993	(45,669)
<i>Total Non-operating Revenues/(Expenses):</i>	<u>70,662</u>	<u>24,993</u>	<u>(45,669)</u>
Net Change in Fund Balance	(2,287,032)	(329,307)	1,957,725
Fund Balance (Deficit) at The Beginning of Year	<u>3,325,323</u>	<u>3,325,323</u>	<u>-</u>
Fund Balance (Deficit) at The End of Year	<u>\$ 1,038,291</u>	<u>\$ 2,996,016</u>	<u>\$ 1,957,725</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, 2004

	Budgeted Amount Final	Actual	Variance with Final Budget Under/ (Over)
<b>Operating Revenues:</b>			
Interest	\$ 387	\$ 365	\$ (22)
Other Operating Revenues	61,816	28,022	(33,794)
<i>Total Operating Revenues</i>	62,203	28,387	(33,816)
<b>Operating Expenses:</b>			
Other	149,759	3,550	146,209
<i>Total Operating Expenses</i>	149,759	3,550	146,209
Net Change in Fund Balance	(87,556)	24,837	112,393
Fund Balance/(Deficit) at the Beginning of Year	235,993	235,993	-
Fund Balance (Deficit) at The End of Year	<u>\$ 148,437</u>	<u>\$ 260,830</u>	<u>\$ 112,393</u>

## **Statistical Section**

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

	2004		2003		(2) 2002
	(1) Full Accrual	(1) Modified Accrual	(1) Full Accrual	(1) Modified Accrual	
<b>Program Revenues</b>					
Charges for Services	\$ 2,289,714	N/A	\$ 1,785,232	N/A	N/A
Operating Grants and Contributions	8,237,544	N/A	4,445,578	N/A	N/A
Capital Grants and Contribution	161,488	N/A	70,595	N/A	N/A
<b>General Revenues</b>					
Taxes	30,251,318	\$ 30,060,012	34,640,570	\$ 32,312,688	\$ 29,655,884
Intergovernmental	28,971,881	37,522,772	32,727,126	37,609,121	36,946,384
Interest	299,727	274,734	506,654	436,535	653,478
Tuition and Fees	-	1,478,415	-	1,367,169	1,638,535
Classroom Materials and Fees	-	263,465	-	261,887	-
Extracurricular Activities	-	250,386	-	208,441	193,492
Proceeds from Sale of Note	-	-	-	-	-
Inception of Capital Lease	-	-	-	-	-
Donations and Other	-	-	-	-	481,182
Gain on Sales of Capital Asset	-	3,299	-	-	2,377
Miscellaneous	183,727	477,723	1,572,814	1,217,433	-
Transfer In	-	279,502	-	727,713	290,701
<b>Total</b>	<b>\$ 70,395,399</b>	<b>\$ 70,610,308</b>	<b>\$ 75,748,569</b>	<b>\$ 74,140,987</b>	<b>\$ 69,862,033</b>
<b>Expenses/Expenditures</b>					
Instructional	\$ 42,969,771	\$ 43,543,400	\$ 43,520,559	\$ 41,493,811	\$ 38,657,036
Supporting Services	28,729,119	28,159,832	29,179,450	27,746,631	25,691,499
Operation of Non-Instructional Service	1,586,493	1,578,708	1,712,503	1,724,033	1,571,813
Extracurricular Activities	1,574,321	1,393,910	1,495,087	1,366,050	1,201,579
Capital Outlay	-	783,234	-	391,273	500,682
Debt Service	59,738	436,908	81,549	449,709	390,640
Transfer Out	-	279,502	147,605	875,318	228,201
Other Uses	-	-	-	-	-
<b>Total</b>	<b>\$ 74,919,442</b>	<b>\$ 76,175,494</b>	<b>\$ 76,136,753</b>	<b>\$ 74,046,825</b>	<b>\$ 68,241,450</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) 2001	(2) 2000	(2) 1999	(2) 1998	(2) 1997	(2) 1996	(2) 1995
	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
\$	31,252,267	\$ 29,774,804	\$ 25,873,342	\$ 25,335,237	\$ 25,856,102	\$ 26,272,958	\$ 17,920,621
	34,808,208	32,210,002	32,244,776	27,106,823	26,438,516	26,728,734	19,881,197
	1,211,225	818,430	810,087	629,061	675,819	472,356	346,693
	1,918,851	771,872	421,849	1,709,960	1,300,909	1,716,624	647,956
	-	-	-	-	-	-	-
	201,580	170,981	191,517	206,711	257,420	272,531	991,616
	-	-	-	1,500,000	-	-	-
	-	-	-	322,461	-	-	-
	1,139,690	803,013	695,969	1,028,563	1,140,705	599,854	355,836
	35,416	423,362	358,082	22,298	4,005,931	174,692	8,133
	-	-	-	-	-	-	-
	88	109,856	-	4,376,573	1,239,088	946,227	340,810
	<u>70,567,325</u>	<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>
\$	38,081,756	\$ 36,764,972	\$ 33,480,478	\$ 32,812,480	\$ 31,783,307	\$ 31,755,716	\$ 30,202,691
	24,305,701	22,652,465	20,974,199	18,264,616	18,563,071	18,165,843	18,552,774
	1,468,529	1,726,576	1,680,477	2,829,073	3,014,031	1,311,127	1,371,517
	1,115,505	1,041,279	887,265	833,673	935,497	933,963	961,497
	962,386	1,102,042	1,132,969	736,488	1,506,794	196,616	233,374
	381,321	380,373	407,871	392,068	372,225	413,485	371,722
	88	109,856	-	4,376,573	1,239,088	2,421,705	1,673,932
	-	-	-	41,336	-	20,616	8,757
	<u>66,315,286</u>	<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>



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

<u>Tax Year</u>	<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collection</u>	<u>Total Collection</u>	<u>Percent of Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes To Tax Levy</u>
2003	2004	\$ 32,941,887	\$ 31,740,445	96.4%	\$ 1,323,115	\$33,063,560	100.4%	\$ 5,366,755	16.3%
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%

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)	
2004	\$815,355,400	\$2,329,586,857	\$32,132,170	\$36,513,830	\$146,627,529	\$586,510,116	\$994,115,099	\$2,952,610,803	33.7%
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

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>
2003	2004	56.48	13.19	5.20	2.45	77.32
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

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>
2004	55,953	\$ 994,115,099	\$ 720,000	\$ 540,747	\$ 179,253	0.02%	\$ 3.20
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

Source:

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

Elyria City School District  
 Computation of Direct and Overlapping  
 General Obligation Bonded Debt  
 June 30, 2004

Jurisdiction	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct:			
Elyria City School District	\$ <u>720,000</u>	100.00%	\$ <u>720,000</u>
Overlapping:			
Lorain County	25,320,000	16.09%	4,073,988
City of Elyria	<u>27,535,000</u>	100.00%	<u>27,535,000</u>
Total Overlapping	<u>52,855,000</u>		<u>31,608,988</u>
Totals:	\$ <u><u>53,575,000</u></u>		\$ <u><u>32,328,988</u></u>

Source: Lorain County Auditor and Elyria City School District

(1) Percentage were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2004 collection year.

Elyria City School District  
 Computation of Legal Debt Margin  
 June 30, 2004

Assessed Valuation		<u>\$994,155,099</u>
Debt Limit – 9% of Assessed Value (1)		89,473,959
Amount of Debt Applicable	\$720,000	
Less: Amount Available in Debt Service Fund	<u>(540,747)</u>	
Total Debt Applicable	179,253	
Less: Total Debt Applicable		<u>(179,253)</u>
Overall Legal Debt Margin		<u><u>\$89,294,706</u></u>

Debt Limit – 0.10% of Assessed Value (1)		\$994,155
Amount of Debt Applicable	\$0	
Less: Amount Available in Debt Service Fund	<u>(540,747)</u>	
Total Debt Applicable	(540,747)	
Less: Total Debt Applicable		<u>540,747</u>
Unvoted Debt Margin		<u><u>\$1,534,902</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
2004	\$ 330,000	\$ 54,828	\$ 384,828	\$ 75,895,992	0.51%
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%

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)
2004	55,953	8,130	6.3%
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

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)
2003	\$ 2,952,610,803	\$ 649,005,000	\$ 7,651,420
2002	2,854,285,675	614,592,000	7,634,970
2001	2,512,999,085	593,492,000	7,568,980
2000	2,510,000,701	533,034,000	10,995,040
1999	2,507,781,690	483,871,000	7,608,660
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

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

Elyria City School District  
Principal Taxpayers  
Real Property Tax  
December 31, 2003

Taxpayer	Assessed Value (1)	Percentage of Total Real Property Tax Assessed Value
Wea Midway LLC	\$ 14,522,380	1.78%
Ohio Edison Co.	13,508,970	1.65
Alltel Ohio Inc	11,824,840	1.45
New Plan of Midway Inc	6,803,200	0.83
First Interstate Elyria	6,018,100	0.74
Sear Roebuck & Co.	4,121,320	0.51
Elyria United	3,141,700	0.39
Comprehensive Ventures	3,131,570	0.38
Holiday Inn of Elyria	3,092,780	0.38
Invacare Corporation	2,988,130	0.37
	\$ <u>69,152,990</u>	<u>8.48%</u>
 Total Real Property Tax Assessed Valuation	 \$ <u>815,355,400</u>	

Sources: Lorain County Auditor

(1) Assessed values are for the 2004 collection year

Elyria City School District  
Principal Taxpayers  
Tangible Personal Property Tax  
December 31, 2003

Taxpayer	Assessed Value(1)	Percentage of Total Tangible Personal Property Tax Assessed Value
Ridge Tool Company	\$ 10,407,410	7.10%
Engelhard Corporation	9,558,440	6.52
Invacare Corporation	7,721,740	5.27
Diamond Products	5,093,200	3.47
Polyone Corporation	4,962,740	3.38
Parker Hannifin	4,534,180	3.09
Dow Chemical Company	4,388,260	2.99
International Multifoods	3,248,120	2.22
Crane Co.	3,136,070	2.14
Nylonge Company	2,979,040	2.03
	\$ <u>56,029,200</u>	<u>38.21%</u>
Total Tangible Personal Property Tax Assessed Valuation	\$ <u><u>146,627,529</u></u>	

Sources: Lorain County Auditor

(1) Assessed values are for the 2004 collection year

Elyria City School District  
Miscellaneous Statistics  
June 30, 2004

Form of Government	Board of Education
Enrollment	8,348
Superintendent of Schools	Dr. E. Jean Harper
Treasurer	Fred V. Stephens
Director of Business Services	Richard Nielson

School Buildings:

Elyria High School	Dianne Quinn
Eastern Heights Junior High School	Kimberly Blevins
Northwood Junior High School	Thomas Jama
Westwood Junior High School	Gregory Horace
HillTop Academy	Allen Senkovich
Cascade Elementary	Aretha Dixon
Crestwood Elementary	Linda Arter
Eastgate Elementary	Charles Sanfilippo
Ely Elementary	Brenda Harriss
Erie Elementary	Ann Lars
Franklin Elementary	Elsa Manco
McKinley Elementary	Chip Hall
Oakwood Elementary	Joyce Bouman
Prospect Elementary	Michael Amann
Roosevelt Elementary	Elaine Carlin
Windsor Elementary	Michael Routa
Kindergarten Village	Rita Tomsic

Sources: School District Financial Records

Elyria City School District  
 Teacher Education and Experience  
 June 30, 2004

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	263	45%
Master's Degree	318	54%
PHD's	2	1%
Total	583	100%

Year of Experience	Number of Teachers	Percentage of Total
0 - 5	134	23%
6 - 10	109	19%
11 and Over	340	58%
Total	583	100%

Source: School District Personnel Records