

Elyria City School District

ELYRIA, OHIO

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2012

Issued by: Office of the Treasurer

Fred V. Stephens
Treasurer

Elyria City School District

Elyria, Ohio



Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2012

ELYRIA CITY SCHOOL DISTRICT

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Fiscal Year Ended June 30, 2012**

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The Elyria City School District

Ensuring that each child reaches his or her full potential



December 27, 2012

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, 2012 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 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 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 Superintendent, Mr. Paul M. Rigda, has been Superintendent since August 24, 2005; his current contract continues until September 30th 2015.

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 current contract continues until July 31, 2014.

The District and Its Facilities

The Elyria City School District is located in the city of Elyria in Lorain County, Ohio. In fiscal year 2011-2012, there were students 6621 enrolled in the District compared to 6998 students enrolled in the previous year. The District currently operates ten (7) elementary schools, three (3) middle schools, one high school, and one special education pre-school. The District maintains one administrative facility that houses an all-day every day Kindergarten Village of 250 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 FY12, the District employed 839 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2012, the District paid from its general and Poverty Based Assistance fund \$38,385,738 in salaries and \$12,643,185 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, 2014. The collective bargaining agreement with the Elyria School Support Staff (ESSS) expires December 31, 2014.

The District provides medical health insurance coverage to its employees through Medical Mutual Insurance Company. The prescription drug program is provided to eligible employees through Caremark. 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 \$6,273,390 during the 2012 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 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 (HB66), and has continued to make revisions that have eliminated the collection of tangible personal property tax.

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, 2012, the School District received \$38,614,335 of school State 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 2011. The rate of unemployment, at the end of the fiscal year 2012, for the Elyria City area was 7.7%.

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, Construction completed in recent years, added six new retailing centers, The Home Depot, Dick’s Sporting Goods, a major food chain store (Giant Eagle) a large retail department store (Target). With the addition of these centers, the surrounding Westfield Mall area is developing specialty shops and the food service industry.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Curriculum Initiatives

- The District has updated the K-5 course of study with new math textbooks. A heavy focus is placed on Common Core Curriculum implementations. Elementary educators also are implementing Wilson Foundations, an early literacy program. The district is in the early stages of a district wide implementation of Powerteacher, a classroom management system supporting central administration. Powerteacher also includes a parent component that allows online parent/teacher communication. The Elyria Schools offers a successful all-day kindergarten program at no cost to parents.

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 schools are PC based and Smart boards are in use district wide and quickly expanding to meet the needs of all staff and students. 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.

District Academic Progress

- The Elyria City School District, one of the “Urban-21” districts in Ohio.
 - In 2011, the district was ranked Effective on Ohio’s Report Card and has a plan for improvement.
 - In 2011, Elyria Schools met 17 of 26 State Report Card Indicators.

Elyria High School

- Elyria High school provides its students with the benefits of being in a large high school but with a small school feel. Freshmen are placed on one of five academic teams that provide individualized attention. Each team has its own assistant principal and guidance counselors. The entire school is divided into four houses. Students remain in the same homeroom and house throughout high school.
- Elyria High School has been rebuilt into a state-of-the-art facility with high technology and many green features such as geothermal heating, eco-friendly roofing and windows.
- Elyria High School pilots many academic programs, such as a grant-funded recovery concept that keeps struggling students on track for graduation. Elyria High School graduates nearly 93% of its students in four years; this is up from 63% just 13 years ago. Many college preparatory courses and honors programs are offered.

Academic Services

- Elyria City School district offers numerous academic programs, including honors and advanced placement courses, Gifted and Talented Education opportunities, comprehensive special education programming and services for English-as-a-second-language students.
- Elyria offers a very successful all-day kindergarten program at no additional cost to parents. The program enjoys tremendous success: students enrolled in Elyria’s all-day K program show significant achievement in reading and math well past kindergarten years.
- Elyria Schools offers an expansive preschool program.
- Elyria Schools offers more than 550 Smart boards in classrooms throughout the district. Smart boards are redefining how teachers teach and students learn: lesson plans are more interactive and students enjoy the hands-on approach to learning. The boards have helped improve students’ attention, classroom participation and behavior.
- Through state and federal funding, Elyria has been able to advance professional development, provide specialized instructors for key content areas, and gain access to sophisticated progress-monitoring technologies. Elyria teachers are 100% highly qualified and trained in many disciplines.

Special Education

- Elyria’s special education department offers a wide continuum of services—13 disability areas and many related services. Elyria serves approximately 1,200 students identified with a disability. Most of these students are Elyria residents attending Elyria Schools; however a number of outside residents are served through the district’s comprehensive special education programming.
- Elyria enjoys successful inclusion/teaming practices: general education teachers and intervention specialists work together so that students with disabilities have access to the general education curriculum and are involved with typical peers to the fullest extent possible.
- The district has been recognized at the state level for its inclusive efforts: The staffs of Elyria High School and Westwood Junior High School are recipients of the Walter-Horn Award for Partnering for Progress.
- Elyria hosts the yearly regional Special Olympics at Ely Stadium and year-long activities such as bowling, golf and basketball.
- Of the district’s alternate assessment scores (Alternate Assessment is a testing option for students with the most severe disabilities), most are accelerated or advanced.

Treasurers Department Focus

The Treasurer's office is working on continuously improving the department by increasing efficiency and effectiveness.

- Completed the process of converting treasurer and student records to electronic storage and retrieval.
- Use the District's updated web page as a community resource for Board of Education and Financial Service information on the District
- Board Policy manual was converted to an electronic file available to the public on our district website

For the Future.

The District will continue to implement the cost reduction efforts and monitor the results.

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 Smart Board technology into the classroom and has trained and placed equipment on line for the new school year.

The District passed a bond issue for a new Elyria High School in FY2007 qualifying for the OSFC Exceptional Needs Program giving the district one third of the costs. Students moved to the academic wing for the 2011-2012 school year.

The State of Ohio approved a new OSFC project to replace all of the District elementary schools. Plans are in place to put a bond issue on the ballot for the local share.

FINANCIAL INFORMATION

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

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

Fiscal Management

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Budgetary Controls

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

Internal Controls

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

FINANCIAL CONDITION

The District prepares 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 2012. The management's discussion and analysis compliment this letter and should be used in conjunction with it. 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 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 \$1,016,037 for fiscal year 2012.

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 \$370,582 for fiscal year 2012.

Financial Policies

The board has incorporated policies to improve the financial viability of the district both in the short and long term. For the last six years the administration has been working on a series of board approved cost reduction plans to keep revenue and expenses in line. The district uses the Five Year Forecast as a tool to plan for the future. The CFO develops the forecast in cooperation with the superintendent to project future outcomes. The board has regular presentations and discussions of our progress. The entire management team is in tune with the financial direction of the district.

This year we implemented (with the aid our joint health insurance committee) modifications that required increased deductibles, co-pays, and employee contributions that improved the financial stability of our self-insurance program. Early retirement incentives were used to encourage senior employees at the top of the salary schedule to retire and replace them with less costly new teachers. The district has reduced the number of employees due to our decrease in enrollment and our financial condition for the last six years. To save cost and improve efficiency and effectiveness the board has closed and consolidated buildings to better fit the student population and adjust for demographic shifts. The unused buildings are in the process of being offered for sale. The remaining buildings are benefiting from the use of group purchasing and consortiums to save on natural gas, electricity and materials and supplies.

The new Elyria High School is one of the first new schools that will earn the environmental LEEDS Certification. The school uses the latest in green technology to improve efficiency and protect the environment. The geothermal heating system will save the district on heating and cooling expense for the life for the school.

Effective board policy and administration have resulted in improved outcomes for both income and expense for this year and in the future.

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 2012. 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 principles (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, 2012, REA & 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

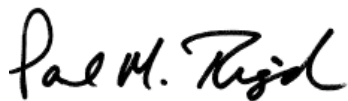
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Elyria Schools for its Comprehensive Annual Financial Report for the year ended June 30, 2011. In order to be awarded a Certificate of Achievement, 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 to determine its eligibility for another certificate.

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; Mary Lou Burnside, MariJane LaFleur, Julie Parker, Judith Peterson and Linda Saltis. 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.



Paul M. Rigda
Superintendent



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:

<i>Board Members</i>	<i>Began Service</i>	<i>Term Expires</i>
<i>Evelyn France, Board President</i>	April 23, 1996	December 31, 2013
<i>Virginia Hawes, Board V.P.</i>	January 1, 2002	December 31, 2013
<i>Donald Boddy, Member</i>	July 28, 1998	December 31, 2015
<i>Holly Brinda, Member</i>	January 1, 2000	December 31, 2011
<i>Richard Kaplan, Member</i>	January 1, 2012	December 31, 2015
<i>Kathryn Karpus, Member</i>	January 1, 2004	December 31, 2015

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. Superintendent, Paul M. Rigda has Superintendent since August 24, 2005.

Treasurer/Chief Financial Officer

The Treasurer/Chief financial Officer serves as the fiscal officer of the District and, with the Board President, executes all conveyances made by the Board of Education. The Treasurer/Chief Financial Officer, Fred V. Stephens, has held the position since January 1, 2004.

2011-2012 ELYRIA CITY SCHOOL DISTRICT, OHIO

Management Team

Mr. Paul M. Rigda	Superintendent of Schools/CEO
Fred V. Stephens	Treasurer, Chief Financial Officer
Gary Taylor	Director of Human Resources
Amy Higgins	Coordinator of Communications and Public Affairs
Dr. Mark Sutter	Director of Academic Services
Ann Schloss	Director of Teaching & Learning
Amy Keir	Content Area Specialist
Kathy Koepp	Content Area Specialist
Joanne Burgess	G.A.T.E. Coordinator, Gifted Program
Brian Kokai	Director of Technology
Dawn McCready	Director of Special Education
Katie Henes	Assistant Treasurer
Richard Nielson	Director of Business Services
Darren Conley	Athletic Director
Eowyn Adams	Director of Food Services, Sodexo
Nikki McDaniels	Supervisor for Transportation, First Student
Dr. Thomas Jama	Elyria High School Principal
Kimberly Benetto	Eastern Heights Middle School Principal
Brett Heighberger	Northwood Middle School Principal
Ramona Mendak	Westwood Middle School Principal
Sherri Parent	Crestwood Elementary Principal
Jack Dibee	Ely Elementary Principal
Rita Tomsic	Kindergarten Village Principal

Chip Hall

McKinley Elementary Principal

Lisa Licht

Franklin Elementary Principal

Aretha Dixon

Oakwood Elementary Principal

Charles Sanfilippo

Prospect Elementary Principal

Timothy Brown

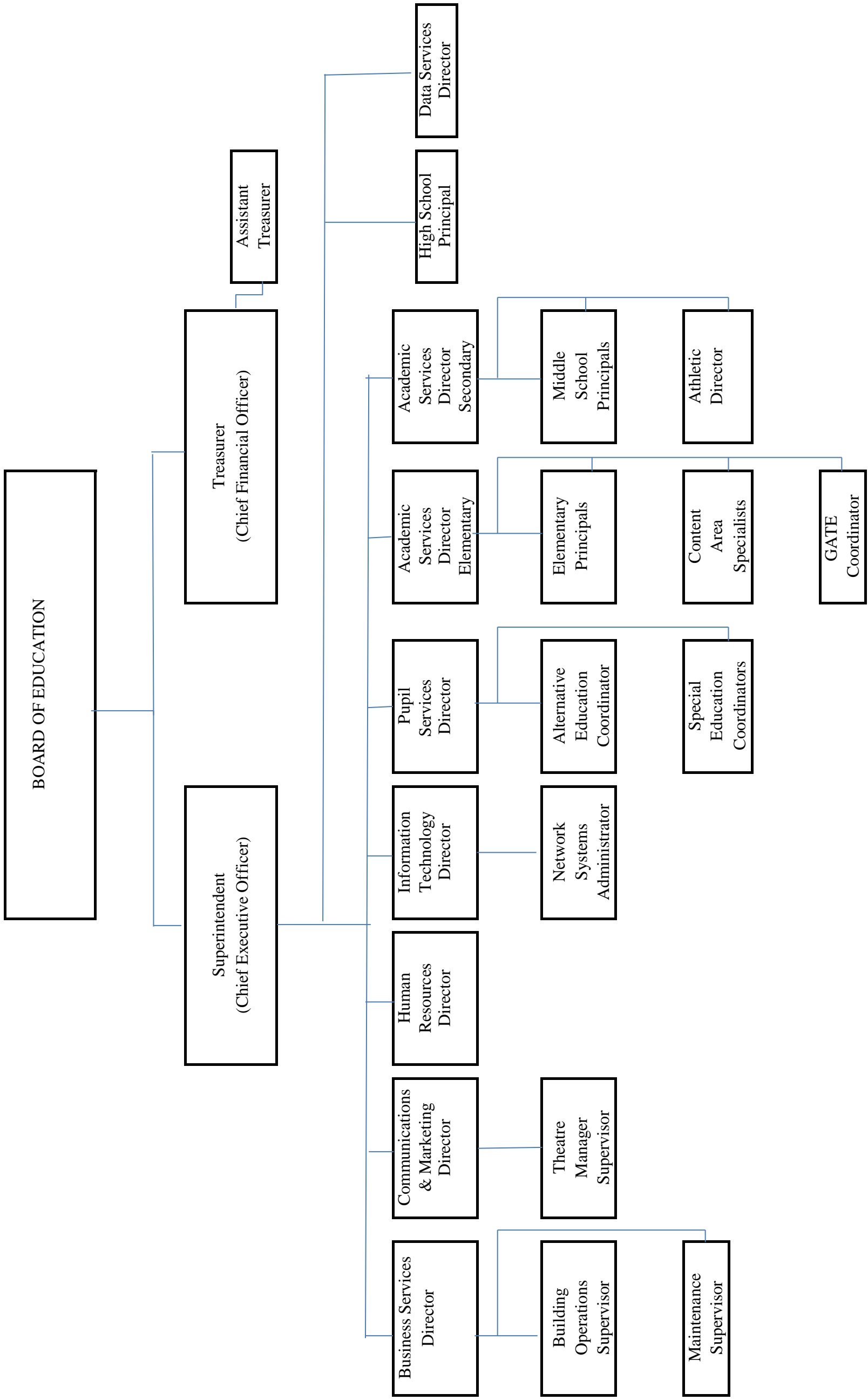
Windsor Elementary Principal

Robyn Fisher

Spring Valley (Early Childhood Center)

Allen Senkovich

Hilltop Academy (Alternative School)



**ELYRIA CITY SCHOOL DISTRICT
ORGANIZATIONAL CHART**

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Elyria City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

December 27, 2012

The Board of Education
Elyria City School District
42101 Griswold Road
Elyria, Ohio 44035

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elyria City School District, Lorain County, Ohio (the School District), as of and for the year ended June 30, 2012 which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2012, and the respective changes in financial position and the cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4, the School District restated net assets to account for the change in the capitalization threshold and restated classifications of fund balances.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Rea & Associates, Inc.

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

The discussion and analysis of the Elyria City School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- Net assets increased \$1,517,336, which represents a 4.7% increase from 2011.
- Capital assets increased \$7,133,941 during fiscal year 2012.
- During the year, outstanding debt decreased from \$49,667,741 to \$48,746,510 due to principal payments made by the School District
- The Ohio School Facilities project was completed in 2012.

Using this Annual Report

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

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Elyria City School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2012?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

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

In the *Statement of Net Assets* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., community services.

Both of the government-wide financial statements distinguish functions of the School 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 School District include instruction, support services, operation of non-instructional services, and extracurricular activities. The business-type activity of the School District includes lunchroom/cafeteria.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The major funds financial statements begin on page 15. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The School District's major governmental fund is the general fund.

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

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Proprietary Funds The School District maintains two different types of proprietary funds. Enterprise funds are used to report the same function presented as business-type activity in the government-wide financial statements. The School District uses an enterprise fund to account for its cafeteria/lunchroom activity. The internal service fund is an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School 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 School District.

Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for some of its scholarship and foundation programs. This activity is presented as a private purpose trust fund. The School District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. The School District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 23 and 24. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2012 compared to 2011:

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Assets						
Current and Other Assets	\$ 52,100,793	\$ 62,882,371	\$ 290,473	\$ 396,890	\$ 52,391,266	\$ 63,279,261
Capital Assets	75,503,583	68,908,037	632,625	94,230	76,136,208	69,002,267
Total Assets	127,604,376	131,790,408	923,098	491,120	128,527,474	132,281,528
Liabilities						
Current Liabilities	40,426,441	43,843,917	142,240	266,837	40,568,681	44,110,754
Long-term Liabilities	54,215,075	55,931,901	39,270	51,761	54,254,345	55,983,662
Total Liabilities	94,641,516	99,775,818	181,510	318,598	94,823,026	100,094,416
Net Assets						
Invested in Capital Assets						
Net of Related Debt	27,873,333	23,559,166	632,625	94,230	28,505,958	23,653,396
Restricted	5,382,195	9,160,296	0	0	5,382,195	9,160,296
Unrestricted (Deficit)	(292,668)	(704,872)	108,963	78,292	(183,705)	(626,580)
Total Net Assets	\$ 32,962,860	\$ 32,014,590	\$ 741,588	\$ 172,522	\$ 33,704,448	\$ 32,187,112

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

At year end, capital assets represented 52.2% of total assets. Capital assets include, land, land improvements, buildings and improvements, furniture and equipment, vehicles, library and textbooks. Capital assets, net of related debt were \$28,505,958 at June 30, 2012. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's governmental net assets, \$5,382,195 or 16.3%, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of net assets of \$292,668 for governmental activities and positive balance of \$108,963 for business-type activities is unrestricted.

Total assets decreased \$3,754,054. This was primarily due to the restatement of capital assets (See Note 4).

Total current liabilities decreased \$3,542,730, due to a decrease in contracts payable, resulting from the completion of the Ohio School Facilities Commission Project. Long term liabilities decreased due to debt principal payments, capital lease payments and early retirement incentive payments.

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Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

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 School District, assets exceeded liabilities by \$33.7 million at the close of the most recent fiscal year. Table 2 shows the changes in net assets for fiscal year 2012 and 2011.

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 1,962,855	\$ 2,004,961	\$ 686,628	\$ 627,723	\$ 2,649,483	\$ 2,632,684
Operating Grants	7,175,464	10,553,546	2,248,489	2,334,647	9,423,953	12,888,193
Capital Grants	237,913	313,384	0	0	237,913	313,384
<i>General Revenue:</i>						
Property Taxes	33,924,522	32,157,789	0	0	33,924,522	32,157,789
Grants and Entitlements	42,170,409	44,165,628	0	0	42,170,409	44,165,628
Investment Earnings	48,133	52,585	52	144	48,185	52,729
Other	615,035	1,442,045	0	0	615,035	1,442,045
Total Revenues	86,134,331	90,689,938	2,935,169	2,962,514	89,069,500	93,652,452
Program Expenses						
<i>Instruction:</i>						
Regular	31,525,685	29,324,385	0	0	31,525,685	29,324,385
Special	9,971,233	11,056,358	0	0	9,971,233	11,056,358
Vocational	271,168	230,941	0	0	271,168	230,941
Student Intervention Services	391,685	295,731	0	0	391,685	295,731
Other	9,297,276	8,120,803	0	0	9,297,276	8,120,803
<i>Support Services:</i>						
Pupils	4,008,503	4,351,555	0	0	4,008,503	4,351,555
Instructional Staff	4,596,716	5,033,837	0	0	4,596,716	5,033,837
Board of Education	38,553	0	0	0	38,553	0
Administrative	5,134,013	5,274,119	0	0	5,134,013	5,274,119
Fiscal	1,694,615	1,803,790	0	0	1,694,615	1,803,790
Business	616,011	620,316	0	0	616,011	620,316
<i>Operation and Maintenance</i>						
of plant	6,185,693	6,538,866	0	0	6,185,693	6,538,866
Pupil Transportation	3,818,599	3,118,652	0	0	3,818,599	3,118,652
Central	1,538,268	1,476,442	0	0	1,538,268	1,476,442
Operation of Non-Instructional	1,608,596	1,838,111	0	0	1,608,596	1,838,111
Extracurricular Activities	1,436,361	1,253,432	0	0	1,436,361	1,253,432
Interest and Fiscal Charges	2,469,247	2,473,375	0	0	2,469,247	2,473,375
Lunchroom/cafeteria	0	0	2,949,942	3,054,910	2,949,942	3,054,910
Total Expenses	84,602,222	82,810,713	2,949,942	3,054,910	87,552,164	85,865,623
Changes in Net Assets	1,532,109	7,879,225	(14,773)	(92,396)	1,517,336	7,786,829
Transfers	(583,839)	0	583,839	0	0	0
<i>Changes in Net Assets</i>						
<i>After Transfers</i>	\$ 948,270	\$ 7,879,225	\$ 569,066	\$ (92,396)	\$ 1,517,336	\$ 7,786,829

Total revenues decreased \$4,582,952 due to the decrease in grant monies from American Recovery and Reinvestment Act (ARRA).

Total expenditures increased \$1,686,541 due to an increase in purchased services and materials and supplies related to instruction.

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below shows, for governmental and business-type activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Program Expenses

	2012		2011	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental Activities:				
<i>Instructions</i>				
Regular	\$ 31,525,685	\$ 29,904,267	\$ 29,324,385	\$ 26,920,875
Special	9,971,233	7,723,500	11,056,358	7,602,954
Vocational	271,168	271,168	230,941	114,488
Student Intervention Services	391,685	391,685	295,731	295,731
Other	9,297,276	9,297,276	8,120,803	8,120,803
<i>Support Services:</i>				
Pupils	4,008,503	3,438,020	4,351,555	3,182,023
Instructional staff	4,596,716	2,116,715	5,033,837	2,144,819
Board of Education	38,553	38,553	0	0
Administration	5,134,013	4,675,982	5,274,119	4,366,413
Fiscal	1,694,615	1,694,615	1,803,790	1,752,762
Business	616,011	616,011	620,316	620,316
Operation and maintenance of plant	6,185,693	5,725,919	6,538,866	6,225,842
Pupil Transportation	3,818,599	3,704,734	3,118,652	3,022,811
Central	1,538,268	1,512,626	1,476,442	1,377,883
Operation on non-instructional services	1,608,596	630,488	1,838,111	745,987
Extracurricular Activities	1,436,361	1,015,184	1,253,432	971,740
Interest and fiscal charges	2,469,247	2,469,247	2,473,375	2,473,375
Total Governmental Activities	84,602,222	75,225,990	82,810,713	69,938,822
Business-Type Activities:				
Lunchroom/cafeteria	2,949,942	14,825	3,054,910	92,540
Total Expenses	\$ 87,552,164	\$ 75,240,815	\$ 85,865,623	\$ 70,031,362

Net costs of services has increased as compared to the prior year, as a result of the end of ARRA funding. These costs are not funded with general revenues.

The dependence upon general revenues for governmental activities is apparent. Around 87% of governmental activities are supported through taxes and other general revenues; such revenues are 89% of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Business-Type Activity

Business-type activity increased the School District's net assets by \$569,066. The only business-type activity for the School District was lunchroom/cafeteria. The largest reason for this increase was from a capital contribution from the general fund for the purchase of equipment for the lunchroom/cafeteria.

Expenses decreased by \$104,968. This decrease was not due to any one particular expense.

Governmental Funds

Information about the School District's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$85,895,696 and expenditures of \$93,141,214. The most significant change in fund balance, reported within the other governmental funds, was in the Ohio Schools Facilities Commission fund in the amount of \$4,654,166. This was the result of the winding down of construction costs of the project during the fiscal year.

The general fund's net change in fund balance for fiscal year 2012 was an increase of \$402,718. No significant changes in revenues and expenses.

Proprietary Funds The School District's proprietary funds provides the same type of information found in the government-wide financial statements, but in more detail. Information about the School District's proprietary funds starts on page 20.

Lunchroom/cafeteria net assets before capital contributions increased slightly during the current fiscal year.

General Fund Budgeting Highlights

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

During the course of fiscal year 2012, the School District did amend its general fund budget a few times. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management

For the general fund, actual budget basis revenue and other financing sources was \$3,991,579 higher than the final budget basis revenue and other financing sources of \$72,174,868. Most of this difference is due to an underestimation of intergovernmental and rent revenue.

Final appropriations and other financing uses of \$76,542,298 were \$82,934 lower than the actual expenditures and other financing uses of \$76,459,364; no individually significant variance resulted in difference between budget and actual expenditures.

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012, the School District had \$76,136,208 invested in capital assets for its governmental and business-type activities. Table 4 shows fiscal year 2012 balances compared with 2011.

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
Land	\$ 8,900,828	\$ 5,718,289	\$ 0	\$ 0	\$ 8,900,828	\$ 5,718,289
Construction in Progress	0	57,994,684	0	0	0	57,994,684
Land Improvements	667,099	284,615	0	0	667,099	284,615
Building and Improvements	63,359,808	4,193,619	0	0	63,359,808	4,193,619
Furniture and Equipment	2,475,804	602,280	632,625	94,230	3,108,429	696,510
Vehicles	100,044	114,550	0	0	100,044	114,550
Total capital assets, net	\$ 75,503,583	\$ 68,908,037	\$ 632,625	\$ 94,230	\$ 76,136,208	\$ 69,002,267

The \$7,133,941 increase in capital assets was attributable to the completion of the Ohio School Facilities Commission project. See Note 10 for more information about the capital assets of the School District.

Debt

At June 30, 2012, the School District had \$48,746,510 in debt outstanding. See Note 12 for additional details. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2012	2011
2007 Refunding Bond		
Serial Bond	\$ 42,180,000	\$ 42,890,000
Capital Appreciation Bond	749,971	749,971
Accretion on Capital Appreciation Bond	973,501	694,502
Premium	471,897	502,851
Capital Leases	4,371,141	4,830,417
Total	\$ 48,746,510	\$ 49,667,741

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

Current Issues

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges though. These challenges stem from issues that are local and at the State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system. Although the School District relies heavily on its property taxpayers to support its operations, the community support for the School District is quite strong.

Due to the unsettled issues in school funding, management is required 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. The School District has first participated in the GFOA Certificate of Achievement for Excellence in Financial Reporting program in 1999.

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

Contacting the School District's Financial Management

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

Basic Financial Statements

Elyria City School District
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 12,427,451	\$ 102,049	\$ 12,529,500
Cash and Investments in Segregated Accounts	740,242	0	740,242
Receivables:			
Taxes	35,333,684	0	35,333,684
Accounts	227,591	95,000	322,591
Accrued Interest	9,287	0	9,287
Intergovernmental	3,219,779	93,424	3,313,203
Deferred Charges	142,759	0	142,759
Nondepreciable Capital Assets	8,900,828	0	8,900,828
Depreciable Capital Assets, Net	66,602,755	632,625	67,235,380
<i>Total Assets</i>	<u>127,604,376</u>	<u>923,098</u>	<u>128,527,474</u>
Liabilities			
Accounts Payable	497,827	229	498,056
Contracts Payable	381,783	0	381,783
Accrued Wages and Benefits	6,521,241	71,520	6,592,761
Matured Compensated Absences Payable	237	0	237
Retainage Payable	740,242	0	740,242
Accrued Interest	232,276	0	232,276
Intergovernmental Payable	2,177,670	70,491	2,248,161
Unearned Revenue	29,526,970	0	29,526,970
Claims Payable	348,195	0	348,195
Long Term Liabilities:			
Due Within One Year	2,247,049	1,808	2,248,857
Due in More Than One Year	51,968,026	37,462	52,005,488
<i>Total Liabilities</i>	<u>94,641,516</u>	<u>181,510</u>	<u>94,823,026</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	27,873,333	632,625	28,505,958
Restricted for:			
Capital Projects	1,464,027	0	1,464,027
Debt Service	1,302,341	0	1,302,341
State Funded Programs	218,904	0	218,904
Federally Funded Programs	979,548	0	979,548
Student Activities	157,467	0	157,467
Other Purposes	1,259,908	0	1,259,908
Unrestricted	(292,668)	108,963	(183,705)
<i>Total Net Assets</i>	<u>\$ 32,962,860</u>	<u>\$ 741,588</u>	<u>\$ 33,704,448</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities		Business-Type Activities
Governmental Activities							
Instruction:							
Regular	\$ 31,525,685	\$ 1,311,238	\$ 310,180	\$ 0	\$ (29,904,267)	\$ 0	\$ (29,904,267)
Special	9,971,233	342,019	1,905,714	0	(7,723,500)	0	(7,723,500)
Vocational	271,168	0	0	0	(271,168)	0	(271,168)
Student Intervention Services	391,685	0	0	0	(391,685)	0	(391,685)
Other	9,297,276	0	0	0	(9,297,276)	0	(9,297,276)
Support Services:							
Pupils	4,008,503	0	570,483	0	(3,438,020)	0	(3,438,020)
Instructional Staff	4,596,716	0	2,480,001	0	(2,116,715)	0	(2,116,715)
Board of Education	38,553	0	0	0	(38,553)	0	(38,553)
Administration	5,134,013	0	458,031	0	(4,675,982)	0	(4,675,982)
Fiscal	1,694,615	0	0	0	(1,694,615)	0	(1,694,615)
Business	616,011	0	0	0	(616,011)	0	(616,011)
Operation and Maintenance of Plant	6,185,693	0	221,861	237,913	(5,725,919)	0	(5,725,919)
Pupil Transportation	3,818,599	0	113,865	0	(3,704,734)	0	(3,704,734)
Central	1,538,268	442	25,200	0	(1,512,626)	0	(1,512,626)
Operation of Non-Instructional Services:							
Community Services	1,608,596	0	978,108	0	(630,488)	0	(630,488)
Extracurricular Activities	1,436,361	309,156	112,021	0	(1,015,184)	0	(1,015,184)
Debt Service:							
Interest and Fiscal Charges	2,469,247	0	0	0	(2,469,247)	0	(2,469,247)
<i>Total Governmental Activities</i>	<u>84,602,222</u>	<u>1,962,855</u>	<u>7,175,464</u>	<u>237,913</u>	<u>(75,225,990)</u>	<u>0</u>	<u>(75,225,990)</u>
Business-Type Activities							
Food Service	2,949,942	686,628	2,248,489	0	0	(14,825)	(14,825)
<i>Total Business-Type Activities</i>	<u>2,949,942</u>	<u>686,628</u>	<u>2,248,489</u>	<u>0</u>	<u>0</u>	<u>(14,825)</u>	<u>(14,825)</u>
Totals	<u>\$ 87,552,164</u>	<u>\$ 2,649,483</u>	<u>\$ 9,423,953</u>	<u>\$ 237,913</u>	<u>(75,225,990)</u>	<u>(14,825)</u>	<u>(75,240,815)</u>
General Revenues and Transfers							
Property Taxes Levied for:							
General Purposes					30,745,255	0	30,745,255
Debt Service					2,596,719	0	2,596,719
Other Purposes					582,548	0	582,548
Grants and Entitlements not Restricted to Specific Programs					42,170,409	0	42,170,409
Investment Earnings					48,133	52	48,185
Miscellaneous					445,122	0	445,122
Gain from Sale of Capital Assets					169,913	0	169,913
<i>Total General Revenues</i>					<u>76,758,099</u>	<u>52</u>	<u>76,758,151</u>
<i>Change in Net Assets Before Transfers</i>					<u>1,532,109</u>	<u>(14,773)</u>	<u>1,517,336</u>
Transfers					<u>(583,839)</u>	<u>583,839</u>	<u>0</u>
<i>Change in Net Assets</i>					<u>948,270</u>	<u>569,066</u>	<u>1,517,336</u>
<i>Net Assets Beginning of Year - Restated (See Note 4)</i>					<u>32,014,590</u>	<u>172,522</u>	<u>32,187,112</u>
<i>Net Assets End of Year</i>					<u>\$ 32,962,860</u>	<u>\$ 741,588</u>	<u>\$ 33,704,448</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Balance Sheet
Governmental Funds
June 30, 2012

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Investments	\$ 6,268,431	\$ 4,772,147	\$ 11,040,578
Cash and Investments in Segregated Accounts	0	740,242	740,242
Receivables:			
Taxes	32,232,342	3,101,342	35,333,684
Accounts	88,341	139,250	227,591
Interfund	2,662,797	0	2,662,797
Accrued Interest	9,287	0	9,287
Intergovernmental	661,414	2,558,099	3,219,513
<i>Total Assets</i>	<u>\$ 41,922,612</u>	<u>\$ 11,311,080</u>	<u>\$ 53,233,692</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 324,734	\$ 173,093	\$ 497,827
Contracts Payable	0	381,783	381,783
Accrued Wages and Benefits	5,889,910	628,431	6,518,341
Matured Compensated Absences Payable	237	0	237
Retainage Payable	0	740,242	740,242
Interfund Payable	0	2,662,797	2,662,797
Intergovernmental Payable	1,957,285	216,838	2,174,123
Deferred Revenue	29,690,413	3,675,091	33,365,504
<i>Total Liabilities</i>	<u>37,862,579</u>	<u>8,478,275</u>	<u>46,340,854</u>
Fund Balances			
Nonspendable	5,349	0	5,349
Restricted	0	4,590,105	4,590,105
Assigned	1,304,033	0	1,304,033
Unassigned	2,750,651	(1,757,300)	993,351
<i>Total Fund Balances</i>	<u>4,060,033</u>	<u>2,832,805</u>	<u>6,892,838</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 41,922,612</u>	<u>\$ 11,311,080</u>	<u>\$ 53,233,692</u>

See accompanying notes to the basic financial statements.

Elyria City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2012*

Total Governmental Fund Balances		\$ 6,892,838
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		75,503,583
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Grants	\$ 1,147,374	
Delinquent Property Taxes	2,281,214	
Charges for Services	<u>409,946</u>	
Total		3,838,534
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued.		142,759
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(232,276)
An internal service fund is used by management to charge the costs 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.		1,016,037
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Capital Leases Payable	(4,371,141)	
General Obligation Bonds	(42,180,000)	
Capital Appreciation Bonds	(749,971)	
Bond Accretion	(973,501)	
Unamortized Bond Premium	(471,897)	
Compensated Absences	(5,150,605)	
Early Retirement Incentive	<u>(301,500)</u>	
Total		<u>(54,198,615)</u>
 <i>Net Assets of Governmental Activities</i>		 <u><u>\$ 32,962,860</u></u>

See accompanying 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, 2012

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property and Other Local Taxes	\$ 29,929,030	\$ 2,916,349	\$ 32,845,379
Intergovernmental	41,465,740	8,397,893	49,863,633
Interest	48,133	11,337	59,470
Tuition and Fees	1,625,513	0	1,625,513
Rent	38,344	0	38,344
Extracurricular Activities	157,020	152,580	309,600
Gifts and Donations	21,726	588,224	609,950
Miscellaneous	321,590	22,217	343,807
<i>Total Revenues</i>	<u>73,607,096</u>	<u>12,088,600</u>	<u>85,695,696</u>
Expenditures			
Current:			
Instruction:			
Regular	29,954,552	554,587	30,509,139
Special	7,974,277	1,965,423	9,939,700
Vocational	266,684	0	266,684
Student Intervention Services	268,584	123,672	392,256
Other	9,273,803	22,200	9,296,003
Support Services:			
Pupils	3,271,978	742,435	4,014,413
Instructional Staff	2,387,926	2,252,111	4,640,037
Board of Education	38,553	0	38,553
Administration	4,358,068	731,546	5,089,614
Fiscal	1,723,423	46,187	1,769,610
Business	621,288	0	621,288
Operation and Maintenance of Plant	5,502,160	4,788	5,506,948
Pupil Transportation	3,684,490	134,109	3,818,599
Central	1,476,148	74,685	1,550,833
Extracurricular Activities	1,184,939	215,843	1,400,782
Operation of Non-instructional Services:			
Community Services	573,668	1,009,604	1,583,272
Capital Outlay	18,335	9,287,275	9,305,610
Debt Service:			
Principal Retirement	459,276	710,000	1,169,276
Interest and Fiscal Charges	172,109	2,056,488	2,228,597
<i>Total Expenditures</i>	<u>73,210,261</u>	<u>19,930,953</u>	<u>93,141,214</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>396,835</u>	<u>(7,842,353)</u>	<u>(7,445,518)</u>
Other Financing Sources and (Uses)			
Proceeds from Sale of Capital Assets	5,862	185,000	190,862
Transfers In	21	770,470	770,491
Transfers Out	0	(770,491)	(770,491)
<i>Total Other Financing Sources and Uses</i>	<u>5,883</u>	<u>184,979</u>	<u>190,862</u>
<i>Net Change in Fund Balances</i>	402,718	(7,657,374)	(7,254,656)
<i>Fund Balances Beginning of Year-Restated (See Note 4)</i>	<u>3,657,315</u>	<u>10,490,179</u>	<u>14,147,494</u>
<i>Fund Balances End of Year</i>	<u>\$ 4,060,033</u>	<u>\$ 2,832,805</u>	<u>\$ 6,892,838</u>

See accompanying notes to the basic financial statements.

Elyria City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2012
(Unaudited)*

Net Change in Fund Balances - Total Governmental Funds \$ (7,254,656)

*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 those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Asset Additions	\$ 8,513,640	
Current Year Depreciation	<u>(1,897,145)</u>	6,616,495

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

(20,949)

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

Grants	(621,718)	
Delinquent Property Taxes	866,322	
Charges for Services	<u>45,918</u>	290,522

In the statement of activities, interest is accrued on outstanding debt, where as in governmental funds, an interest expenditure is reported when due. Funds report the effects of premiums and issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Accrued Interest	16,759	
Accretion on Capital Appreciation Bonds	(278,999)	
Bond Issuance Costs Amortization	(9,364)	
Bond Premium Amortization	<u>30,954</u>	(240,650)

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

General Obligation Bonds	710,000	
Capital Leases	<u>459,276</u>	1,169,276

Compensated absences and early retirement incentive reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

812,055

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

(423,823)

Change in Net Assets of Governmental Activities

\$ 948,270

Elyria City School District
*Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 27,817,372	\$ 27,817,372	\$ 29,446,469	\$ 1,629,097
Intergovernmental	39,209,211	39,209,211	41,505,460	2,296,249
Interest	39,465	39,465	41,776	2,311
Tuition and Fees	1,255,815	1,255,815	1,329,361	73,546
Extracurricular Activities	8,960	8,960	9,485	525
Rentals	36,223	36,223	38,344	2,121
Contributions and Donations	1,098	1,098	1,162	64
Miscellaneous	262,943	262,943	278,342	15,399
<i>Total Revenues</i>	<u>68,631,087</u>	<u>68,631,087</u>	<u>72,650,399</u>	<u>4,019,312</u>
Expenditures				
Current:				
Instruction:				
Regular	26,788,914	28,284,034	28,251,823	32,211
Special	7,696,064	8,125,591	8,116,337	9,254
Vocational	224,937	237,491	237,221	270
Student Intervention Services	146,420	154,592	154,416	176
Other	8,952,611	9,452,267	9,441,502	10,765
Support Services:				
Pupils	3,184,698	3,362,439	3,358,610	3,829
Instructional Staff	2,219,625	2,343,505	2,340,836	2,669
Board of Education	42,750	45,135	45,084	51
Administration	4,136,123	4,366,965	4,361,992	4,973
Fiscal	1,818,623	1,920,123	1,917,936	2,187
Business	598,982	632,412	631,692	720
Operation and Maintenance of Plant	5,702,137	6,020,380	6,013,524	6,856
Pupil Transportation	3,883,833	4,100,594	4,095,924	4,670
Central	1,514,029	1,598,528	1,596,708	1,820
Operation of Non-Instructional Services:				
Food Operations	312,670	330,120	329,744	376
Community Services	214,667	226,649	226,390	259
Extracurricular Activities	924,403	975,995	974,883	1,112
Capital Outlay	17,600	18,582	18,561	21
Debt Service:				
Principal Retirement	435,494	459,800	459,276	524
Interest and Fiscal Charges	163,197	172,305	172,109	196
<i>Total Expenditures</i>	<u>68,977,777</u>	<u>72,827,507</u>	<u>72,744,568</u>	<u>82,939</u>
<i>Excess of Revenues (Under) Expenditures</i>	<u>(346,690)</u>	<u>(4,196,420)</u>	<u>(94,169)</u>	<u>4,102,251</u>
Other Financing Sources and (Uses)				
Proceeds from Sale of Assets	5,862	5,862	5,862	0
Refund of Prior Year Expenditures	25,964	25,964	25,964	0
Advances In	3,479,196	3,479,196	3,479,196	0
Advances Out	(200,000)	(1,974,291)	(1,974,291)	0
Transfers In	26	26	5,026	5,000
Transfers Out	(1,505,000)	(1,740,500)	(1,740,505)	(5)
<i>Total Other Financing Sources and (Uses)</i>	<u>1,806,048</u>	<u>(203,743)</u>	<u>(198,748)</u>	<u>4,995</u>
<i>Net Change in Fund Balance</i>	<u>1,459,358</u>	<u>(4,400,163)</u>	<u>(292,917)</u>	<u>4,107,246</u>
<i>Fund Balance Beginning of Year (Restated-See Note 4)</i>	<u>3,464,035</u>	<u>3,464,035</u>	<u>3,464,035</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>1,874,158</u>	<u>1,874,158</u>	<u>1,874,158</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 6,797,551</u>	<u>\$ 938,030</u>	<u>\$ 5,045,276</u>	<u>\$ 4,107,246</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Fund Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Assets		
<i>Current Assets</i>		
Equity in Pooled Cash and Investments	\$ 102,049	\$ 1,386,873
Receivables:		
Accounts	95,000	0
Intergovernmental	93,424	266
<i>Total Current Assets</i>	<u>290,473</u>	<u>1,387,139</u>
<i>Non-Current Assets</i>		
Depreciable Capital Assets (Net)	<u>632,625</u>	<u>0</u>
<i>Total Assets</i>	<u>923,098</u>	<u>1,387,139</u>
Liabilities		
<i>Current Liabilities</i>		
Accounts Payable	229	0
Accrued Wages and Benefits	71,520	2,900
Compensated Absences Payable	1,808	5,035
Intergovernmental Payable	70,491	3,547
Claims Payable	0	348,195
<i>Total Current Liabilities</i>	<u>144,048</u>	<u>359,677</u>
<i>Long Term Liabilities</i>		
Compensated Absences	<u>37,462</u>	<u>11,425</u>
<i>Total Liabilities</i>	<u>181,510</u>	<u>371,102</u>
Net Assets		
Invested in Capital Assets	632,625	0
Unrestricted	108,963	1,016,037
<i>Total Net Assets</i>	<u>\$ 741,588</u>	<u>\$ 1,016,037</u>

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 Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Operating Revenues		
Sales	\$ 686,628	\$ 0
Charges for Services	0	7,256,008
<i>Total Operating Revenues</i>	<u>686,628</u>	<u>7,256,008</u>
Operating Expenses		
Salaries	794,133	58,399
Fringe Benefits	150,167	312,900
Purchased Services	1,824,158	392,969
Materials and Supplies	114,783	0
Depreciation	45,444	0
Capital outlay	21,257	0
Claims	0	6,916,072
<i>Total Operating Expenses</i>	<u>2,949,942</u>	<u>7,680,340</u>
<i>Operating Income (Loss)</i>	<u>(2,263,314)</u>	<u>(424,332)</u>
Non-Operating Revenues:		
Intergovernmental	2,248,489	0
Interest	52	509
<i>Total Non-Operating Revenues</i>	<u>2,248,541</u>	<u>509</u>
<i>Income Before Capital Contribution</i>	(14,773)	(423,823)
Capital Contribution	583,839	0
<i>Change in Net Assets</i>	569,066	(423,823)
<i>Net Assets Beginning of Year (Restated - See Note 4)</i>	<u>172,522</u>	<u>1,439,860</u>
<i>Net Assets End of Year</i>	<u>\$ 741,588</u>	<u>\$ 1,016,037</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 686,628	\$ 7,256,008
Other Cash Receipts	(95,000)	(133)
Cash Paid for Goods and Services	(1,920,991)	(392,969)
Cash Paid for Material and Supplies	(114,783)	0
Cash Paid to Employees	(855,645)	(41,927)
Cash Paid to Employee Benefits	(150,167)	(312,900)
Cash Payments for Claims	0	(6,948,025)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(2,449,958)</u>	<u>(439,946)</u>
Cash Flows From Non-Capital Financing Activities		
Grants Received	<u>2,274,468</u>	<u>0</u>
Cash Flows From Investing Activities		
Interest on Investments	<u>52</u>	<u>509</u>
<i>Net Increase (Decrease) in Cash and Investments</i>	(175,438)	(439,437)
<i>Cash and Investments Beginning of Year</i>	277,487	1,826,310
<i>Cash and Investments End of Year</i>	<u>\$ 102,049</u>	<u>\$ 1,386,873</u>
Reconciliation of Operating Income (Loss) to		
Net Cash Provided By (Used for) Operating Activities		
<i>Operating Income (Loss)</i>	\$ (2,263,314)	\$ (424,332)
Adjustments:		
Depreciation	45,444	0
(Increase) Decrease Assets		
Accounts Receivable	(95,000)	0
Intergovernmental Receivable	0	(133)
Increase (Decrease) in Liabilities:		
Accounts Payable	(75,576)	0
Accrued Wages and Benefits	(44,590)	885
Compensated Absences Payable	(14,989)	16,460
Intergovernmental Payable	(1,933)	(873)
Claims Payable	0	(31,953)
<i>Total Adjustments</i>	<u>(186,644)</u>	<u>(15,614)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (2,449,958)</u>	<u>\$ (439,946)</u>
Schedule of non-cash capital and related financing activities:		
Capital Asset transfer from governmental activities	<u>\$ 583,839</u>	<u>\$ 0</u>

See the accompanying notes to the basic financial statements.

Elyria City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Investments	\$ 370,582	\$ 204,113
Liabilities		
Accounts Payable	0	\$ 5,843
Due to Students	0	198,270
<i>Total Liabilities</i>	0	\$ 204,113
Net Assets		
Held in Trust for Scholarships	\$ 370,582	

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, 2012

	Private Purpose Trust
	Scholarship
Additions	
Gifts and Contributions	\$ 13,886
Interest	28
	13,914
<i>Total Additions</i>	13,914
Deductions	
Payments in Accordance with Trust Agreements	3,450
	10,464
<i>Change in Net Assets</i>	10,464
<i>Net Assets Beginning of Year</i>	360,118
<i>Net Assets End of Year</i>	\$ 370,582

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, 2012

NOTE 1: NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The Elyria City School District (the School District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a school district as defined by Section 3311.02 of the Ohio Revised Code. The School District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the School District.

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 School 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 16.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applied Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The School District has elected not to follow FASB guidance for business-type activities and enterprise funds issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The most significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

ELYRIA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is also eliminated to avoid “doubling up” revenues and expenses.

The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at year-end. The statement of activities present a comparison between direct expenses and program revenues for each program or function of the School District’s governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental activity is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. The fiduciary funds is reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 is the School District’s major governmental fund:

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 to which the District is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following are the School District's proprietary fund types:

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

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for scholarship programs 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 accounts for student activities.

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund 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 total net assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund activity.

The private purpose trust fund is reported using the economic resources measurement focus and is excluded from government-wide activities. The agency fund does not report a measurement focus as it does not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). 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/Unearned Revenue

Deferred/unearned 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, 2012, but which were levied to finance fiscal year 2013 operations, have been recorded as deferred/unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred/unearned revenue.

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

Expenses/Expenditures

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

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

E. Cash and Investments

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During fiscal year 2012, investments were limited to certificates of deposit, commercial paper (General Electric Capital Corporation) and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2012. 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, 2012.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2012 amounted to \$48,133, which includes \$25,842 assigned from other School District funds.

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 presented on the financial statements as "equity in pooled cash and investments." Investments with an original maturity of more than three months that are not made from the pool are reported as "investments."

F. Deferred Charges

On the governmental fund statements, bond issuance costs are recorded as an expenditure when incurred. Bond issuance costs are reported as deferred and amortized over the term of the bonds using the bond outstanding method on the government-wide statements since the results are not significantly different from bond outstanding method.

G. 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 capital assets are recorded at their fair market values as of the dates received. The School District maintains a capitalization threshold of \$5,000. 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 not capitalized.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

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 and Equipment	5-20 years	5-20 years
Vehicles	8 years	N/A
Library and Textbooks	6 years	N/A

H. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

J. 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.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

K. Bond Premiums

Bond premiums are recorded as another financing source on the governmental fund statements. On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bond using the bond outstanding method. Bond premiums are presented as an increase of the face amount of the bonds payable.

L. 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. At June 30, 2012, none of the School District's net assets were restricted by enabling legislation. Net assets restricted for other purposes are primarily for instruction of students.

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

M. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

N. 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 charges for services for food service operations and charges employee self-insurance program. Operating expenses are necessary costs incurred to provide services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

O. Interfund Activity

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2012.

Q. Estimates

The preparation of 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.

R. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given the authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect when the final appropriations were passed.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the budgetary statements reflect the final appropriations passed by the Board during the year.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 3: FUND DEFICITS

Fund balances at June 30, 2012 included the following individual fund deficits:

<u>Other Governmental Funds:</u>	<u>Fund Balance</u>
Title I - School Improvement	\$ 513
Building Fund	1,756,787

The deficit fund balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

NOTE 4: RESTATEMENT OF FUND BALANCES/NET ASSETS

A. Budgetary Fund Balances

Fund balances have been restated at July 1, 2011, to account for the reclassification of funds. The adjustments had the following effect on cash basis fund balances as previously reported:

	<u>General Fund</u>
Beginning fund balances, June 30, 2011	\$ 3,520,387
Adjustments:	
Fund reclassification	<u>(56,352)</u>
Beginning fund balances, July 1, 2011	<u><u>\$ 3,464,035</u></u>

B. Modified Accrual Fund Balances

Fund balances have been restated at July 1, 2011, to account for the reclassification of funds. The adjustments had the following effect on governmental modified fund balances as previously reported:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Beginning fund balances, June 30, 2011	\$ 3,659,130	\$ 10,488,364	\$ 14,147,494
Adjustments:			
Fund reclassifications	<u>(1,815)</u>	<u>1,815</u>	<u>0</u>
Beginning fund balances, July 1, 2011	<u><u>\$ 3,657,315</u></u>	<u><u>\$ 10,490,179</u></u>	<u><u>\$ 14,147,494</u></u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 4: RESTATEMENT OF FUND BALANCES/NET ASSETS (Continued)

C. Net Assets

Net assets have been restated at July 1, 2011, due to the capital asset re-evaluation by an appraisal company and threshold change from \$1,000 to \$5,000. The adjustments had the following effect on governmental and business-type activities as previously reported:

	Governmental Activities	Business-Type Activities	Total
Net assets, June 30, 2011	<u>\$ 38,387,713</u>	<u>\$ 178,212</u>	<u>\$ 38,565,925</u>
Adjustments:			
Capital assets (net)	<u>(6,373,123)</u>	<u>(5,690)</u>	<u>(6,378,813)</u>
Beginning net assets, July 1, 2011	<u><u>\$ 32,014,590</u></u>	<u><u>\$ 172,522</u></u>	<u><u>\$ 32,187,112</u></u>

NOTE 5: 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 an assignment of fund balance for (GAAP basis).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets.

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 5: BUDGETARY BASIS OF ACCOUNTING (Continued)

Net Change in Fund Balance

GAAP Basis	\$ 402,718
Net adjustments for revenue accruals	(441,041)
Advances in	3,479,196
Net adjustments for expenditure accruals	(61,223)
Advances out	(1,974,291)
Funds budgeted elsewhere**	(384,577)
Adjustments for encumbrances	(1,313,699)
Budget Basis	<u>\$ (292,917)</u>

** As part of Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes public school support funds, uniform school supplies, termination benefits, rotary special service funds, and miscellaneous grants.

NOTE 6: 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.

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;

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 6: DEPOSITS AND INVESTMENTS (Continued)

- 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 2% and marked to market daily, and that the term of the agreement must not exceed 30 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 25% 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, 2012*

NOTE 6: DEPOSITS AND INVESTMENTS (Continued)

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105% of the total value of uninsured public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the School District's name. During 2012, the School District and public depositories complied with the provisions of these statutes.

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of uninsured public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

At fiscal year-end, the carrying amount of the School District's deposits was \$7,651,943. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of June 30, 2012, \$5,658,706 of the School District's bank balance of \$7,930,587 was exposed to custodial risk as discussed above, while \$2,271,881 was covered by Federal Deposit Insurance Corporation.

Investments

Investments are reported at fair value. As of June 30, 2012, the School District had the following investments:

<u>Entity</u>	<u>Fair Value</u>	<u>Investment Maturity (0-6) Months</u>	<u>Percent of Total</u>
STAROhio	\$ 2,195,158	\$ 2,195,158	35.45%
Morgan Stanley Commercial Paper	3,997,336	3,997,336	64.55%
	<u>\$ 6,192,494</u>	<u>\$ 6,192,494</u>	<u>100.00%</u>

Interest Rate Risk. Is the possibility that changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 6: DEPOSITS AND INVESTMENTS (Continued)

STAROhio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAROhio to maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAROhio as of June 30, 2012 is 53 days.

Credit Risk. The commercial paper has a rating assigned from Standard & Poor's and Moody's of A1+ and P1, respectively. STAROhio was rated AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Concentration of Credit Risk. The School District places no limit on the amount that may be invested in any one issuer.

NOTE 7: 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 and public utility property located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at 35% of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected in 2012 with real property taxes. Public utility real property is assessed at 35% of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 7: PROPERTY TAXES (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2010. The tax was phased out by reducing the assessment rate on the property each year. The bill replaced the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006-2010, the School District was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements are being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of these reimbursements.

The School District receives property taxes from Lorain County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2012, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2012 was \$3,203,345 in the general fund, \$279,542 in the bond retirement debt service fund, and \$42,613 in the classroom facilities maintenance special revenue fund. The amount available as an advance at June 30, 2011, was \$2,720,784 in the general fund, \$233,913 in the bond retirement debt service fund, and \$35,875 in the classroom facilities maintenance special revenue fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2012 taxes were collected are:

	2011 Second Half Collections		2012 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 862,496,380	97.54%	\$ 855,116,020	97.39%
Public Utility Personal Property	21,747,440	2.46%	22,872,180	2.61%
	<u>\$ 884,243,820</u>	<u>100.00%</u>	<u>\$ 877,988,200</u>	<u>100.00%</u>
Full Tax Rate per \$1,000 of assessed value	<u>\$ 69.58</u>		<u>\$ 69.73</u>	

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 8: RECEIVABLES

Receivables at June 30, 2012 consisted of taxes, accounts (customer services and student fees), accrued interest, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All are expected to be received within one year.

NOTE 9: INTERFUND ACTIVITY

A. Interfund Balances

Interfund balances at June 30, 2012 consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 2,662,797	\$ 0
Nonmajor Governmental Funds:		
Classroom Facilities	0	1,974,291
Public School Preschool	0	6,800
Education Jobs	0	71,219
IDEA, Part B	0	174,887
Title I - School Improvement	0	10,495
Title III	0	1,442
Title I	0	364,598
IDEA Preschool Handicapped	0	6,646
Improving Teacher Quality	0	52,419
	<u>\$ 2,662,797</u>	<u>\$ 2,662,797</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2012 are reported on the Statement of Net Assets.

B. Interfund Transfers

Transfers made during fiscal year 2012 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 21	\$ 0
Nonmajor Governmental Funds	770,470	770,491
	<u>\$ 770,491</u>	<u>\$ 770,491</u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

These transfers were made to move unrestricted balances to support programs and projects accounted for in other funds. Transfers from nonmajor governmental funds to the general fund were residual equity transfers allowable under Ohio Revised Code Sections 5705.14-.16.

Capital assets related to food service operations were transferred from the governmental activities to the business-type funds during 2012. The total amount of assets transferred was \$583,839.

NOTE 10: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Restated Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 5,718,289	\$ 3,182,539	\$ 0	\$ 8,900,828
Construction in Progress	57,994,684	9,034,249	(67,028,933)	0
<i>Total Capital Assets, Not Being Depreciated</i>	<u>63,712,973</u>	<u>12,216,788</u>	<u>(67,028,933)</u>	<u>8,900,828</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,808,666	437,560	(126,822)	2,119,404
Buildings and Improvements	27,343,695	60,669,163	(3,811,424)	84,201,434
Furniture and Equipment	4,548,473	2,219,062	(154,889)	6,612,646
Vehicles	377,037	0	(1,690)	375,347
Library and Textbooks	1,679,422	0	(518,907)	1,160,515
<i>Total Capital Assets, Being Depreciated</i>	<u>35,757,293</u>	<u>63,325,785</u>	<u>(4,613,732)</u>	<u>94,469,346</u>
<i>Accumulated Depreciation</i>				
Land Improvements	(1,524,051)	(45,837)	117,583	(1,452,305)
Buildings and Improvements	(23,150,076)	(1,502,974)	3,811,424	(20,841,626)
Furniture and Equipment	(3,946,193)	(335,518)	144,869	(4,136,842)
Vehicles	(262,487)	(12,816)	0	(275,303)
Library and Textbooks	(1,679,422)	0	518,907	(1,160,515)
<i>Total Accumulated Depreciated</i>	<u>(30,562,229)</u>	<u>(1,897,145)</u>	<u>4,592,783</u>	<u>(27,866,591)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>5,195,064</u>	<u>61,428,640</u>	<u>(20,949)</u>	<u>66,602,755</u>
<i>Governmental Activities, Capital Assets, Net</i>	<u>\$ 68,908,037</u>	<u>\$ 73,645,428</u>	<u>\$ (67,049,882)</u>	<u>\$ 75,503,583</u>
Business-Type Activities				
<i>Capital Assets, Being Depreciated</i>				
Furniture and Equipment	\$ 546,061	\$ 583,839	\$ (110,348)	\$ 1,019,552
<i>Accumulated Depreciation</i>				
Furniture and Equipment	(451,831)	(45,444)	110,348	(386,927)
<i>Total Capital Assets Being Depreciated, Net</i>	<u>94,230</u>	<u>538,395</u>	<u>0</u>	<u>632,625</u>
<i>Business-Type Activities, Capital Assets, Net</i>	<u>\$ 94,230</u>	<u>\$ 538,395</u>	<u>\$ 0</u>	<u>\$ 632,625</u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 10: CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,348,698
Special	16,200
Support Services:	
Pupils	2,222
Instructional Staff	9,574
Administration	23,135
Operations and Maintenance of Plant	404,169
Central	37,406
Operation of Non-Instructional Services:	
Community Services	29,720
Extracurricular Activities	26,021
Total Depreciation	<u>\$ 1,897,145</u>

NOTE 11: CAPITALIZED LEASES-LESSEE DISCLOSURE

The School District has entered into leases for the renovation of the high school building and acquisition of equipment. These leases meet the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee.

Capital assets acquired by the leases have been capitalized in the amount of \$6,972,014. A corresponding liability was recorded in the statement of net assets and is reduced for each required principal payment.

Lease payments are paid from the general fund.

The future minimum lease obligations and the net present values of these minimum lease payments as of June 30, 2012, were as follows:

<u>Year Ending June 30,</u>	<u>Lease Payment</u>
2013	\$ 629,686
2014	633,239
2015	631,695
2016	630,150
2017	633,607
2018 - 2022	1,816,536
2023	96,833
Total Minimum Lease Payments	<u>5,071,746</u>
Less: Amount Representing Interest	700,605
Present Value of Minimum Lease Payments	<u>\$4,371,141</u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 12: LONG-TERM OBLIGATIONS

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

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012	Amount Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2007 Refunding Bond					
Serial Bond	\$ 42,890,000	\$ 0	\$ 710,000	\$ 42,180,000	\$ 740,000
Capital Appreciation Bonds	749,971	0	0	749,971	0
Accretion on Bonds	694,502	278,999	0	973,501	0
Premium on Bonds	502,851	0	30,954	471,897	0
Total General Obligation Bonds	<u>44,837,324</u>	<u>278,999</u>	<u>740,954</u>	<u>44,375,369</u>	<u>740,000</u>
Other Long-Term Liabilities:					
Capital Leases	4,830,417	0	459,276	4,371,141	475,153
Early Retirement Incentive Payable	1,171,984	0	870,484	301,500	301,500
Compensated Absences Payable	5,092,176	711,714	636,825	5,167,065	730,396
Total Other Long-Term Liabilities	<u>11,094,577</u>	<u>711,714</u>	<u>1,966,585</u>	<u>9,839,706</u>	<u>1,507,049</u>
Total Long Term Liabilities	<u>\$ 55,931,901</u>	<u>\$ 990,713</u>	<u>\$ 2,707,539</u>	<u>\$ 54,215,075</u>	<u>\$ 2,247,049</u>
Business-Type Activities:					
Compensated Absences Payable	\$ 54,259	\$ 10,277	\$ 25,266	\$ 39,270	\$ 1,808

2007 School Facilities Construction and Improvement General Obligation Bonds

On September 5, 2007 the School District issued \$44,999,971 in voted general obligation bonds, which included serial, term and capital appreciation (deep discount) bonds in the amount of \$14,720,000, \$29,530,000 and \$749,971, respectively. The general obligation bonds were issued for the purpose of constructing a new high school and a portion of the principal of the bonds, together with other monies available for this purpose, was used to retire the School Districts outstanding \$5,000,000 School improvement notes that matured on November 14, 2007.

The bonds were issued with a premium of \$631,723, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the bonds outstanding method. The amortization of the premium for fiscal year 2012 was \$30,954. The issuance costs of \$191,111 are reported as deferred charges and are being amortized over the life of the bonds using the bond outstanding method. The amortization of the issuance costs for fiscal year 2012 was \$9,364.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 12: LONG-TERM OBLIGATIONS (Continued)

The \$44,999,971 bond issue consists of serial term and capital appreciation bonds. The serial bonds were issued with a varying interest rate of 4.0-5.25%. The term bonds that mature in fiscal year 2028, with an interest rate of 4.75% are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2027 at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2026	\$ 1,925,000
2027	2,015,000

The term bonds due December 1, 2035, with an interest rate of 5.0%, are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2028, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2029	\$ 2,345,000
2030	2,465,000
2031	2,585,000
2032	2,855,000
2033	3,000,000
2034	3,150,000
2035	3,435,000

The term bonds maturing after December 1, 2017 are subject to optional redemption, in whole or in part, on any date in order of maturity as determined by the School District and by lot within a maturity, at the option of the board of Education on or after June 1, 2017.

The capital appreciation bonds will mature December 1, 2013 through 2015. These bonds were purchased at a discount at the time of issuance and at maturity all compounded interest is paid and the bond holder collects the face value. However, since interest is technically earned and compounded semiannually, the value of the bond increases. Therefore, as the value increases, the accretion is booked as interest. The maturity amount of the bonds is \$2,640,000. The fiscal year 2012 accretion amount was \$278,999.

Compensated absences and capital leases will be paid from the general fund and debt payments are paid from the debt service fund.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 12: LONG-TERM OBLIGATIONS (Continued)

The School District provides an early retirement incentive plan for employees. Employees who enroll in the early retirement incentive plan must have declared their intention to retire before June 30, 2012. Certified employees that retire prior to the start of the 2010-2011 school year will receive two \$12,500 incentive payments in January, 2011 and 2012. Certified employees that retire prior to the 2011-2012 school year will receive two incentive payments in the amount of \$7,500 in January, 2012 and 2013. Classified employees who retire by June 30, 2011 will receive an incentive payment equivalent to thirty percent of their annual base salary. This will be paid on or about October 1, 2012. This will be paid from the termination benefits fund.

Principal and interest requirements to retire general obligation bonds, capital appreciation bonds and the installment loan outstanding at June 30, 2012 are as follows:

Fiscal Year Ending June 30,	General Obligation Bond			Capital Appreciation Bonds			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 740,000	\$ 2,027,488	\$ 2,767,488	\$ 0	\$ 0	\$ 0	\$ 740,000	\$ 2,027,488	\$ 2,767,488
2014	0	2,012,688	2,012,688	294,853	585,147	880,000	294,853	2,597,835	2,892,688
2015	0	2,012,688	2,012,688	247,447	632,553	880,000	247,447	2,645,241	2,892,688
2016	0	2,012,688	2,012,688	207,671	672,329	880,000	207,671	2,685,017	2,892,688
2017	995,000	1,992,290	2,987,290	0	0	0	995,000	1,992,290	2,987,290
2018-2022	6,035,000	9,246,064	15,281,064	0	0	0	6,035,000	9,246,064	15,281,064
2023-2027	8,820,000	7,499,280	16,319,280	0	0	0	8,820,000	7,499,280	16,319,280
2028-2032	12,360,000	4,936,363	17,296,363	0	0	0	12,360,000	4,936,363	17,296,363
2033-2036	13,230,000	1,377,500	14,607,500	0	0	0	13,230,000	1,377,500	14,607,500
	<u>\$ 42,180,000</u>	<u>\$ 33,117,049</u>	<u>\$ 75,297,049</u>	<u>\$ 749,971</u>	<u>\$ 1,890,029</u>	<u>\$ 2,640,000</u>	<u>\$ 42,929,971</u>	<u>\$ 35,007,078</u>	<u>\$ 77,937,049</u>

NOTE 13: 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 2012 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 three years. The School District did not reduce their limit of 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 \$1,000,000. This bond is with Ohio Farmers Insurance Company. There is also a separate bond that covers the Treasurer, Assistant Treasurer and the Director of Business Services for \$1,000,000.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 13: RISK MANAGEMENT (Continued)

The School District participates in the Ohio School Board Association Workers' Compensation Group Rating Program (GRP), an insurance premium rating 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 firm of Comp Management 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 \$200,000 per member and an aggregate stop-loss of 120% of paid claims for medical and hearing. For fiscal year 2012 this was equal to \$-0-. 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 \$348,195 reported in the self-insurance fund at June 30, 2012 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 two years is presented in the following table.

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance End of Year
2011	\$ 752,798	\$ 6,085,559	\$ 6,458,209	\$ 380,148
2012	\$ 380,148	\$ 6,916,072	\$ 6,948,025	\$ 348,195

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 14: DEFINED BENEFIT PENSION PLANS

A. School Employee Retirement System

Plan Description - The District contributes to the School Employees Retirement System of Ohio (“SERS”), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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 can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS’ website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2012, 12.65% and .05% of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amount of 10% for plan members and 14% for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District’s required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$1,023,719, \$1,120,526 and \$1,271,977, respectively; 42% has been contributed for fiscal year 2012 and 100% for the fiscal years 2011 and 2010.

B. State Teachers Retirement System

Plan Description - The District participates in the State Teachers Retirement System of Ohio (“STRS Ohio”), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For fiscal year 2012, plan members were required to contribute 10% of their annual covered salaries. The District was required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employer contributions. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011 and 2010 were \$4,556,929, \$4,301,686 and \$4,653,391, respectively; 83% has been contributed for fiscal year 2012 and 100% for the fiscal years 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$257,461 made by the District and \$183,900 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2012 all members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 15: POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The District participates in two cost-sharing, multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug plan is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code Section 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2012, .55% of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2012, 2011, and 2010 were \$44,510, \$40,332, and \$45,783, respectively; 42% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the current employer contribution to the Medicare B Fund. For fiscal year 2012, the actuarially required allocation was .75% of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$60,695, \$66,635, and \$75,642, respectively; 42% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 15: POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System

Plan Description - The District contributes to the cost sharing, multiple-employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the financial report of STRS. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$350,533, \$330,899, and \$357,953, respectively; 83% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

NOTE 16: JOINTLY GOVERNED ORGANIZATION

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 writing the Treasurer at the Educational Service Center of Lorain County, 1885 Lake Avenue, Elyria, Ohio 44035. During fiscal year 2012, the School District contributed \$395,719 to LEECA.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 17: CONTINGENCIES

A. Review of Statewide Attendance Data

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

B. Grants

The 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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2012, if applicable, cannot be determined at this time.

C. Litigation

The District is not party to any claims or lawsuits that would, in the District's opinion, have a material effect of the basic financial statements.

NOTE 18: SET-ASIDES

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 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 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, 2012*

	Capital Improvement Reserve
Set-Aside Restricted Balance, June 30, 2011	\$ 0
Current Year Set-Aside Requirement	1,199,581
Contributions in Excess of the Current Fiscal Year Set-Aside Requirement	0
Current Year Qualifying Expenditures	(2,050,013)
Excess Qualified Expenditures From Prior Years	0
Current Year Offset	0
Waiver Granted by the Department of Education	0
Prior Year Offset From Bond Proceeds	0
Total	<u>\$ (850,432)</u>
 Balance Carried Forward to Fiscal Year 2013	 <u>\$ 0</u>
 Set-Aside Restricted Balance June 30, 2012	 <u>\$ 0</u>

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

NOTE 19: CONTRACTUAL COMMITMENTS AND SIGNIFICANT ENCUMBRANCES

A. Contractual Commitments

As of June 30, 2012, the School District had contractual commitments for the construction of a new high school.

	Contract Amount	Expenditures as of June 30, 2012	Amount Remaining on Contract
High School	\$ 48,238,417	\$ 47,325,699	\$ 912,718

B. Significant Encumbrances

Outstanding encumbrances for governmental funds include \$924,196 for general fund and \$1,000,959 in nonmajor funds. The amounts encumbered for nonmajor funds are also included in the contractual commitment listed above.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012*

NOTE 20: FUND BALANCE

Fund balance can be classified as nonspendable, restricted, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other funds are presented as follows:

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable for:			
Unclaimed Funds	\$ 5,349	\$ 0	\$ 5,349
Restricted for:			
Debt Service	0	1,287,318	1,287,318
Capital Outlay	0	1,464,027	1,464,027
Facilities Maintenance	0	882,979	882,979
Special Education	0	38,500	38,500
Federally Funded Program	0	162,483	162,483
State Funded Programs	0	220,430	220,430
Student Activities	0	157,467	157,467
Other Purposes	0	376,901	376,901
Total Restricted	<u>0</u>	<u>4,590,105</u>	<u>4,590,105</u>
Assigned for:			
Encumbrances:			
Instructional	218,421	0	218,421
Support Services	697,300	0	697,300
Non-instructional	500	0	500
Extracurricular Activities	7,749	0	7,749
Capital Outlay	226	0	226
Uniform School Supplies	379,837	0	379,837
Total Assigned	<u>1,304,033</u>	<u>0</u>	<u>1,304,033</u>
Unassigned	<u>2,750,651</u>	<u>(1,757,300)</u>	<u>993,351</u>
Total Fund Balance	<u>\$4,060,033</u>	<u>\$2,832,805</u>	<u>\$6,892,838</u>

***Combining Statements and
Individual Fund Schedules -
Nonmajor Governmental Funds***

ELYRIA CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Combining Statements-Nonmajor Funds

Nonmajor Special Revenue Funds:

The Special Revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the School District's Nonmajor special revenue funds:

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.

Classroom Facilities Maintenance Fund – This fund accounts for proceeds for a special levy for the maintenance of facilities.

Athletics and Music Fund – This fund accounts for gate receipts and other revenues from athletic events and costs (except supplemental coaching contracts) of the athletic program, including transportation.

Auxiliary Services Fund – This fund accounts for state grant monies that 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 costs associated with the requirements of the management information systems.

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.

Data Communications Fund – This fund accounts for revenues received from the state to be used to install and provide support costs for data communication links to connect any school to the local A-site.

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 school and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program and for operating expenses associated with administering the program.

Summer School Fund – A fund to permit school districts to establish summer school remediation programs that serve as an extension of the regular school year for those students requiring remedial work prior to the beginning of the next school year.

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

Poverty Aid Fund – This fund accounts for monies appropriated for poverty based assistance as part of the state foundation system.

ELYRIA CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Combining Statements-Nonmajor Funds

Nonmajor Special Revenue Funds (Continued:)

Miscellaneous State Grants Fund – This fund accounts for state monies which support academic and enrichment programs for the student body.

Education Jobs Fund – This fund provides compensation and benefits and other expenses, such as support services, necessary to retain existing employees, recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary or secondary educational and related services.

Race to The Top Fund – This fund provides for either a new program or expansion of an existing program to support initiatives in the following areas: Standards and Assessments; Using Data to Improve Instruction; Great Teachers and Leaders; and Turning Around the Lowest-Achieving Schools.

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.

State Fiscal Stabilization Fund – This fund accounts for federal monies to support and restore state funding for elementary, secondary, post-secondary education and as applicable early childhood programs.

Title II-D Fund – This fund accounts for federal monies to improve state academic achievement through technology in schools; to assist student in becoming technologically literate by the end of eighth grade, and; to encourage effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.

Title I School Improvement Fund – This fund accounts for federal monies to help schools improve the teaching and learning of children failing, or most at risk of failing to meet challenging state academic achievement standards.

Title III Fund – This fund accounts for monies to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

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

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 various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

ELYRIA CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Combining Statements-Nonmajor Funds

Nonmajor Debt Service Fund:

Bond Retirement Fund – This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and fiscal charges.

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 property taxes levied to be used for various capital improvements within the School District.

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

Classroom Facilities Fund – This fund accounts for monies received and expended in connection with contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of classroom facilities.

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

Elyria City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 1,742,307	\$ 1,007,776	\$ 2,022,064	\$ 4,772,147
Cash and Investments in Segregated Accounts	0	0	740,242	740,242
Receivables:				
Taxes	386,837	2,714,505	0	3,101,342
Accounts	0	0	139,250	139,250
Intergovernmental	2,558,099	0	0	2,558,099
<i>Total Assets</i>	<u>\$ 4,687,243</u>	<u>3,722,281</u>	<u>\$ 2,901,556</u>	<u>\$ 11,311,080</u>
Liabilities				
Accounts Payable	\$ 173,093	\$ 0	\$ 0	\$ 173,093
Contracts Payable	0	0	381,783	381,783
Accrued Wages and Benefits	628,431	0	0	628,431
Interfund Payable	688,506	0	1,974,291	2,662,797
Intergovernmental Payable	216,838	0	0	216,838
Retainage Payable	0	0	740,242	740,242
Deferred Revenue	1,142,128	2,434,963	98,000	3,675,091
<i>Total Liabilities</i>	<u>2,848,996</u>	<u>2,434,963</u>	<u>3,194,316</u>	<u>8,478,275</u>
Fund Balances				
Restricted	1,838,760	1,287,318	1,464,027	4,590,105
Unassigned	(513)	0	(1,756,787)	(1,757,300)
<i>Total Fund Balances</i>	<u>1,838,247</u>	<u>1,287,318</u>	<u>(292,760)</u>	<u>2,832,805</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 4,687,243</u>	<u>\$ 3,722,281</u>	<u>\$ 2,901,556</u>	<u>\$ 11,311,080</u>

Elyria City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 386,582	\$ 2,529,767	\$ 0	\$ 2,916,349
Intergovernmental	7,557,438	347,860	492,595	8,397,893
Interest	278	0	11,059	11,337
Extracurricular Activities	152,580	0	0	152,580
Gifts and Donations	449,192	0	139,032	588,224
Miscellaneous	22,216	0	1	22,217
<i>Total Revenues</i>	<u>8,568,286</u>	<u>2,877,627</u>	<u>642,687</u>	<u>12,088,600</u>
Expenditures				
Current:				
Instruction:				
Regular	554,587	0	0	554,587
Special	1,965,423	0	0	1,965,423
Student Intervention Services	123,672	0	0	123,672
Other	22,200	0	0	22,200
Support Services:				
Pupils	742,435	0	0	742,435
Instructional Staff	2,252,111	0	0	2,252,111
Administration	731,546	0	0	731,546
Fiscal	6,131	40,056	0	46,187
Operation and Maintenance of Plant	4,788	0	0	4,788
Pupil Transportation	134,109	0	0	134,109
Central	74,392	0	293	74,685
Operation of Non-Instructional Services:				
Community Services	1,009,604	0	0	1,009,604
Extracurricular Activities	215,843	0	0	215,843
Capital Outlay	0	0	9,287,275	9,287,275
Debt Service:				
Principal Retirement	0	710,000	0	710,000
Interest and Fiscal Charges	0	2,056,488	0	2,056,488
<i>Total Expenditures</i>	<u>7,836,841</u>	<u>2,806,544</u>	<u>9,287,568</u>	<u>19,930,953</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>731,445</u>	<u>71,083</u>	<u>(8,644,881)</u>	<u>(7,842,353)</u>
Other Financing Sources				
Proceeds from Sales of Capital Assets	0	0	185,000	185,000
Transfers In	0	0	770,470	770,470
Transfers Out	(21)	0	(770,470)	(770,491)
<i>Total Other Financing Sources (Uses)</i>	<u>(21)</u>	<u>0</u>	<u>185,000</u>	<u>184,979</u>
<i>Net Change in Fund Balances</i>	731,424	71,083	(8,459,881)	(7,657,374)
<i>Fund Balances Beginning of Year (Restated, See Note 4)</i>	<u>1,106,823</u>	<u>1,216,235</u>	<u>8,167,121</u>	<u>10,490,179</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,838,247</u>	<u>\$ 1,287,318</u>	<u>\$ (292,760)</u>	<u>\$ 2,832,805</u>

Elyria City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2012

	Local Grants	Classroom Facilities Maintenance	Athletics and Music	Auxiliary Services	Educational Management Information Systems
Assets					
Equity in Pooled Cash and Investments	\$ 429,651	\$ 840,366	\$ 157,467	\$ 301,458	\$ 33
Receivables:					
Intergovernmental	70	0	0	165	0
Taxes Receivable	0	386,837	0	0	0
<i>Total Assets</i>	<u>\$ 429,721</u>	<u>\$ 1,227,203</u>	<u>\$ 157,467</u>	<u>\$ 301,623</u>	<u>\$ 33</u>
Liabilities					
Accounts Payable	\$ 52,083	\$ 0	\$ 0	\$ 70,770	\$ 0
Accrued Wages and Benefits	282	0	0	9,768	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	385	0	0	12,539	3
Deferred Revenue	70	344,224	0	165	0
<i>Total Liabilities</i>	<u>52,820</u>	<u>344,224</u>	<u>0</u>	<u>93,242</u>	<u>3</u>
Fund Balances					
Restricted	376,901	882,979	157,467	208,381	30
Unassigned	0	0	0	0	0
<i>Total Fund Balances</i>	<u>376,901</u>	<u>882,979</u>	<u>157,467</u>	<u>208,381</u>	<u>30</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 429,721</u>	<u>\$ 1,227,203</u>	<u>\$ 157,467</u>	<u>\$ 301,623</u>	<u>\$ 33</u>

(Continued)

Public School Preschool	Data Communications	SchoolNet Professional Development	Ohio Reads Grant	Summer School	Alternative Schools	Poverty Aid
\$ 0	\$ 494	\$ 101	\$ 0	\$ 0	\$ 1,488	\$ 0
6,800	0	0	0	0	17,662	0
0	0	0	0	0	0	0
<u>\$ 6,800</u>	<u>\$ 494</u>	<u>\$ 101</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,150</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 108	\$ 0
0	0	0	0	0	11,953	0
6,800	0	0	0	0	0	0
0	0	0	0	0	3,409	0
0	0	0	0	0	124	0
<u>6,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,594</u>	<u>0</u>
0	494	101	0	0	3,556	0
0	0	0	0	0	0	0
0	494	101	0	0	3,556	0
<u>\$ 6,800</u>	<u>\$ 494</u>	<u>\$ 101</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,150</u>	<u>\$ 0</u>

(Continued)

*Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2012*

	Miscellaneous State Grants	Education Jobs	Race to the Top	Title VI-B	State Fiscal Stabilization
Assets					
Equity in Pooled Cash and Investments	\$ 7,868	\$ 0	\$ 0	\$ 0	\$ 0
Receivables:					
Intergovernmental	0	240,959	0	525,331	0
Taxes Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 7,868</u>	<u>\$ 240,959</u>	<u>\$ 0</u>	<u>\$ 525,331</u>	<u>\$ 0</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 282	\$ 0
Accrued Wages and Benefits	0	99,363	0	182,138	0
Interfund Payable	0	71,219	0	174,887	0
Intergovernmental Payable	0	26,775	0	86,379	0
Deferred Revenue	0	30,185	0	43,145	0
<i>Total Liabilities</i>	<u>0</u>	<u>227,542</u>	<u>0</u>	<u>486,831</u>	<u>0</u>
Fund Balances					
Restricted	7,868	13,417	0	38,500	0
Unassigned	0	0	0	0	0
<i>Total Fund Balances</i>	<u>7,868</u>	<u>13,417</u>	<u>0</u>	<u>38,500</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 7,868</u>	<u>\$ 240,959</u>	<u>\$ 0</u>	<u>\$ 525,331</u>	<u>\$ 0</u>

(Continued)

Title II - D	Title I School Improvement	Title III	Title I	Preschool Handicapped Grant	Class Size Reduction	Miscellaneous Federal Grants	Totals
\$ 2,654	\$ 0	\$ 0	\$ 2	\$ 0	\$ 0	\$ 725	\$ 1,742,307
179	87,729	6,392	1,299,433	17,252	356,127	0	2,558,099
0	0	0	0	0	0	0	386,837
<u>\$ 2,833</u>	<u>\$ 87,729</u>	<u>\$ 6,392</u>	<u>\$ 1,299,435</u>	<u>\$ 17,252</u>	<u>\$ 356,127</u>	<u>\$ 725</u>	<u>\$ 4,687,243</u>
\$ 0	\$ 0	\$ 0	\$ 49,533	\$ 317	\$ 0	\$ 0	\$ 173,093
0	18,048	2,727	268,925	6,015	29,212	0	628,431
0	10,495	1,442	364,598	6,646	52,419	0	688,506
0	3,112	417	63,536	2,881	17,374	28	216,838
179	56,587	1,796	474,149	792	190,712	0	1,142,128
179	88,242	6,382	1,220,741	16,651	289,717	28	2,848,996
2,654	0	10	78,694	601	66,410	697	1,838,760
0	(513)	0	0	0	0	0	(513)
2,654	(513)	10	78,694	601	66,410	697	1,838,247
<u>\$ 2,833</u>	<u>\$ 87,729</u>	<u>\$ 6,392</u>	<u>\$ 1,299,435</u>	<u>\$ 17,252</u>	<u>\$ 356,127</u>	<u>\$ 725</u>	<u>\$ 4,687,243</u>

Elyria City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For Fiscal Year Ended June 30, 2012

	Local Grants	Classroom Facilities Maintenance	Athletics and Music	Auxiliary Services	Educational Management Information Systems
Revenues					
Property and Other Local Taxes	\$ 0	\$ 386,582	\$ 0	\$ 0	\$ 0
Intergovernmental	16,012	219,583	0	960,929	0
Interest	0	278	0	0	0
Extracurricular Activities	7,092	0	145,488	0	0
Gifts and Donations	444,735	0	4,457	0	0
Miscellaneous	8,089	0	14,127	0	0
<i>Total Revenues</i>	<u>475,928</u>	<u>606,443</u>	<u>164,072</u>	<u>960,929</u>	<u>0</u>
Expenditures					
Current:					
Instruction:					
Regular	289,689	0	0	0	0
Special	8,303	0	0	0	0
Student Intervention Services	0	0	0	0	0
Other	49	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	23,261	0	0	0	0
Administration	4,080	0	0	0	0
Fiscal	0	6,131	0	0	0
Operation and Maintenance of Plant	4,788	0	0	0	0
Pupil Transportation	747	0	0	0	0
Central	0	0	0	0	369
Operation of Non-Instructional Services:					
Community Services	10,318	0	0	812,840	0
Extracurricular Activities	3,518	0	212,325	0	0
<i>Total Expenditures</i>	<u>344,753</u>	<u>6,131</u>	<u>212,325</u>	<u>812,840</u>	<u>369</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>131,175</u>	<u>600,312</u>	<u>(48,253)</u>	<u>148,089</u>	<u>(369)</u>
Other Financing Sources					
Transfers Out	(20)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(20)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	131,155	600,312	(48,253)	148,089	(369)
<i>Fund Balances (Deficit) Beginning of Year</i> <i>(Restated, See Note 4)</i>	<u>245,746</u>	<u>282,667</u>	<u>205,720</u>	<u>60,292</u>	<u>399</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 376,901</u>	<u>\$ 882,979</u>	<u>\$ 157,467</u>	<u>\$ 208,381</u>	<u>\$ 30</u>

(Continued)

Public School Preschool	Data Communications	School Net Professional Development	Ohio Reads	Summer School	Alternative Schools	Poverty Aid
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
68,000	25,200	0	0	0	104,378	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
68,000	25,200	0	0	0	104,378	0
0	0	0	0	0	0	0
68,000	0	0	78	424	0	1,815
0	0	0	0	0	68	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	1,852	0
0	0	0	0	0	105,763	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	73,865	158	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
68,000	73,865	158	78	424	107,683	1,815
0	(48,665)	(158)	(78)	(424)	(3,305)	(1,815)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(48,665)	(158)	(78)	(424)	(3,305)	(1,815)
0	49,159	259	78	424	6,861	1,815
\$ 0	\$ 494	\$ 101	\$ 0	\$ 0	\$ 3,556	\$ 0

(Continued)

Elyria City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances=a2
Nonmajor Special Revenue Funds (Continued)
For Fiscal Year Ended June 30, 2012

	Miscellaneous State Grants	Educational Jobs	Race to the Top	Title VI-B	State Fiscal Stabilization
Revenues					
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	828,206	4,550	1,898,492	12,639
Interest	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Gifts and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>828,206</u>	<u>4,550</u>	<u>1,898,492</u>	<u>12,639</u>
Expenditures					
Current:					
Instruction:					
Regular	0	224,009	4,550	0	0
Special	2,218	0	0	354,148	0
Student Intervention Services	0	123,604	0	0	0
Other	0	22,105	0	0	0
Support Services:					
Pupils	0	132,153	0	205,890	0
Instructional Staff	0	61,055	0	1,050,167	0
Administration	0	211,049	0	226,761	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	19,497	0
Central	0	0	0	0	0
Operation of Non-Instructional Services:					
Community Services	0	63,183	0	102,945	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>2,218</u>	<u>837,158</u>	<u>4,550</u>	<u>1,959,408</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,218)</u>	<u>(8,952)</u>	<u>0</u>	<u>(60,916)</u>	<u>12,639</u>
Other Financing Sources					
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(2,218)	(8,952)	0	(60,916)	12,639
<i>Fund Balances (Deficit) Beginning of Year</i> <i>(Restated, See Note 4)</i>	10,086	22,369	0	99,416	(12,639)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 7,868</u>	<u>\$ 13,417</u>	<u>\$ 0</u>	<u>\$ 38,500</u>	<u>\$ 0</u>

(Continued)

Title II-D	Title I School Improvement	Title III	Title I	Preschool Handicapped Grant	Class Size Reduction	Miscellaneous Federal Grants	Totals
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 386,582
131,875	108,074	18,546	2,667,414	63,050	430,490	0	7,557,438
0	0	0	0	0	0	0	278
0	0	0	0	0	0	0	152,580
0	0	0	0	0	0	0	449,192
0	0	0	0	0	0	0	22,216
131,875	108,074	18,546	2,667,414	63,050	430,490	0	8,568,286
17,985	0	18,348	0	0	0	6	554,587
0	0	0	1,523,302	4,734	0	2,401	1,965,423
0	0	0	0	0	0	0	123,672
0	0	0	46	0	0	0	22,200
0	0	0	404,392	0	0	0	742,435
0	116,437	624	544,960	3,311	449,141	1,303	2,252,111
0	0	0	125,132	58,761	0	0	731,546
0	0	0	0	0	0	0	6,131
0	0	0	0	0	0	0	4,788
0	0	0	113,865	0	0	0	134,109
0	0	0	0	0	0	0	74,392
0	0	0	17,112	0	3,206	0	1,009,604
0	0	0	0	0	0	0	215,843
17,985	116,437	18,972	2,728,809	66,806	452,347	3,710	7,836,841
113,890	(8,363)	(426)	(61,395)	(3,756)	(21,857)	(3,710)	731,445
0	0	0	(1)	0	0	0	(21)
0	0	0	(1)	0	0	0	(21)
113,890	(8,363)	(426)	(61,396)	(3,756)	(21,857)	(3,710)	731,424
(111,236)	7,850	436	140,090	4,357	88,267	4,407	1,106,823
\$ 2,654	\$ (513)	\$ 10	\$ 78,694	\$ 601	\$ 66,410	\$ 697	\$ 1,838,247

Elyria City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2012

	Permanent Improvement	Capital Building	Classroom Facilities	SchoolNet Plus	Totals
Assets					
Equity in Pooled Cash and Investments	\$ 392,897	\$ 226,543	\$ 1,402,624	\$ 0	\$ 2,022,064
Cash and Investments in Segregated Accounts	0	0	740,242	0	740,242
Receivables:					
Accounts	0	139,250	0	0	139,250
<i>Total Assets</i>	<u>\$ 392,897</u>	<u>\$ 365,793</u>	<u>\$ 2,142,866</u>	<u>\$ 0</u>	<u>\$ 2,901,556</u>
Liabilities					
Contracts Payable	\$ 0	\$ 50,289	\$ 331,494	\$ 0	\$ 381,783
Interfund Payable	0	1,974,291	0	0	1,974,291
Retainage Payable	0	0	740,242	0	740,242
Deferred Revenue	0	98,000	0	0	98,000
<i>Total Liabilities</i>	<u>0</u>	<u>2,122,580</u>	<u>1,071,736</u>	<u>0</u>	<u>3,194,316</u>
Fund Balances					
Restricted	392,897	0	1,071,130	0	1,464,027
Unassigned	0	(1,756,787)	0	0	(1,756,787)
<i>Total Fund Balances</i>	<u>392,897</u>	<u>(1,756,787)</u>	<u>1,071,130</u>	<u>0</u>	<u>(292,760)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 392,897</u>	<u>\$ 365,793</u>	<u>\$ 2,142,866</u>	<u>\$ 0</u>	<u>\$ 2,901,556</u>

Elyria City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For Fiscal Year Ended June 30, 2012

	Permanent Improvement	Capital Building	Classroom Facilities	SchoolNet Plus	Totals
Revenues					
Intergovernmental	\$ 0	\$ 0	\$ 492,595	\$ 0	\$ 492,595
Interest	0	881	10,178	0	11,059
Gifts and Donations	0	139,032	0	0	139,032
Miscellaneous	0	1	0	0	1
<i>Total Revenues</i>	<u>0</u>	<u>139,914</u>	<u>502,773</u>	<u>0</u>	<u>642,687</u>
Expenditures					
Current:					
Support Services:					
Central	0	0	0	293	293
Capital Outlay	89,292	3,270,574	5,927,409	0	9,287,275
<i>Total Expenditures</i>	<u>89,292</u>	<u>3,270,574</u>	<u>5,927,409</u>	<u>293</u>	<u>9,287,568</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(89,292)</u>	<u>(3,130,660)</u>	<u>(5,424,636)</u>	<u>(293)</u>	<u>(8,644,881)</u>
Other Financing (Uses)					
Proceeds from Sale of Capital Assets	185,000	0	0	0	185,000
Transfers In	0	0	770,470	0	770,470
Transfers In	(770,470)	0	0	0	(770,470)
<i>Total Other Financing Sources (Uses)</i>	<u>(585,470)</u>	<u>0</u>	<u>770,470</u>	<u>0</u>	<u>185,000</u>
<i>Net Change in Fund Balances</i>	(674,762)	(3,130,660)	(4,654,166)	(293)	(8,459,881)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,067,659</u>	<u>1,373,873</u>	<u>5,725,296</u>	<u>293</u>	<u>8,167,121</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 392,897</u>	<u>\$ (1,756,787)</u>	<u>\$ 1,071,130</u>	<u>\$ 0</u>	<u>\$ (292,760)</u>

***Individual Fund Schedules of Revenues, Expenditures and Changes in
Fund Balance – Budget (Non – GAAP Basis) and Actual
Governmental Funds – Nonmajor***

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$ 271,821	\$ 291,192	\$ 19,371
Expenditures			
Current:			
Instruction:			
Regular	662,548	303,035	359,513
Special	50	0	50
<i>Total Expenditures</i>	<u>662,598</u>	<u>303,035</u>	<u>359,563</u>
<i>Net Change in Fund Balance</i>	(390,777)	(11,843)	378,934
<i>Fund Balance Beginning of Year</i>	379,669	379,669	0
Prior Year Encumbrances Appropriated	<u>11,112</u>	<u>11,112</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 4</u>	<u>\$ 378,938</u>	<u>\$ 378,934</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$ 108,115	\$ 147,535	\$ 39,420
Gifts and Donations	15,069	20,564	5,495
Miscellaneous	22,278	30,401	8,123
<i>Total Revenues</i>	<u>145,462</u>	<u>198,500</u>	<u>53,038</u>
Expenditures			
Current:			
Extracurricular Activities	<u>300,000</u>	<u>216,537</u>	<u>83,463</u>
<i>Net Change in Fund Balance</i>	(154,538)	(18,037)	136,501
<i>Fund Balance Beginning of Year</i>	141,077	141,077	0
Prior Year Encumbrances Appropriated	<u>13,461</u>	<u>13,461</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 136,501</u>	<u>\$ 136,501</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 87,000	\$ 51,506	\$ (35,494)
Extracurricular Activities	7,167	7,092	(75)
Gifts and Donations	459,373	491,173	31,800
Miscellaneous	10,222	8,089	(2,133)
<i>Total Revenues</i>	<u>563,762</u>	<u>557,860</u>	<u>(5,902)</u>
Expenditures			
Current:			
Instruction:			
Regular	583,767	333,946	249,821
Special	8,295	8,296	(1)
Support Services:			
Instructional Staff	23,022	24,045	(1,023)
Administration	3,822	4,080	(258)
Operation and Maintenance of Plant	10,639	4,984	5,655
Pupil Transportation	747	747	0
Operation of Non-Instructional Services:			
Community Services	22,000	20,816	1,184
Extracurricular Activities	3,885	3,674	211
<i>Total Expenditures</i>	<u>656,177</u>	<u>400,588</u>	<u>255,589</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(92,415)</u>	<u>157,272</u>	<u>249,687</u>
Other Financing Use			
Transfers Out	(20)	(20)	0
Advance Out	(44,644)	(44,644)	0
Refund of Prior Year Receipts	(71,962)	(58,668)	(130,630)
<i>Total Other Financing Sources (Uses)</i>	<u>(116,626)</u>	<u>(103,332)</u>	<u>(13,294)</u>
<i>Net Change in Fund Balance</i>	(209,041)	53,940	262,981
<i>Fund Balance Beginning of Year</i>	228,376	228,376	0
Prior Year Encumbrances Appropriated	27,807	27,807	0
<i>Fund Balance End of Year</i>	<u>\$ 47,142</u>	<u>\$ 310,123</u>	<u>\$ 262,981</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Inter-District Services Fund
For the Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<i>Fund Balance Beginning of Year</i>	\$ 54,537	\$ 54,537	\$ 0
<i>Fund Balance End of Year</i>	<u>\$ 54,537</u>	<u>\$ 54,537</u>	<u>\$ 0</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Maintenance Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 0	\$ 379,844	\$ 379,844
Intergovernmental	0	219,583	219,583
Interest	0	278	278
<i>Total Revenues</i>	<u>0</u>	<u>599,705</u>	<u>599,705</u>
Expenditures			
Current:			
Support Services:			
Fiscal	8,000	6,131	1,869
Capital Outlay	<u>50,000</u>	<u>0</u>	<u>50,000</u>
<i>Total Expenditures</i>	<u>58,000</u>	<u>6,131</u>	<u>51,869</u>
<i>Net Change in Fund Balance</i>	(58,000)	593,574	651,574
<i>Fund Balance Beginning of Year</i>	<u>246,792</u>	<u>246,792</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 188,792</u>	<u>\$ 840,366</u>	<u>\$ 651,574</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Instruction:			
Regular	\$ 1,646,223	\$ 1,618,127	\$ 28,096
Support Services:			
Instructional Staff	138,487	158,708	(20,221)
<i>Total Expenditures</i>	<u>1,784,710</u>	<u>1,776,835</u>	<u>7,875</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,784,710)</u>	<u>(1,776,835)</u>	<u>7,875</u>
Other Financing Sources (Uses)			
Transfer In	<u>1,735,500</u>	<u>1,735,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(49,210)	(41,335)	7,875
<i>Fund Balance Beginning of Year (Restated)</i>	<u>49,210</u>	<u>49,210</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 7,875</u></u>	<u><u>\$ 7,875</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$ 62,981	\$ 145,488	\$ 82,507
Gifts and Donations	4,000	4,457	457
Miscellaneous	8,450	14,127	5,677
<i>Total Revenues</i>	<u>75,431</u>	<u>164,072</u>	<u>88,641</u>
Expenditures			
Current:			
Support Services:			
Fiscal	70	0	70
Extracurricular Activities	281,081	214,570	66,511
<i>Total Expenditures</i>	<u>281,151</u>	<u>214,570</u>	<u>66,581</u>
<i>Net Change in Fund Balance</i>	(205,720)	(50,498)	155,222
<i>Fund Balance Beginning of Year</i>	173,988	173,988	0
Prior Year Encumbrances Appropriated	31,732	31,732	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 155,222</u>	<u>\$ 155,222</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 973,534	\$ 973,554	\$ 20
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services	1,139,977	944,655	195,322
<i>Excess of Revenues Over (Under) Expenditures</i>	(166,443)	28,899	195,342
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(12,620)	(12,625)	5
<i>Net Change in Fund Balance</i>	(179,063)	16,274	195,337
<i>Fund Balance Beginning of Year</i>	31,730	31,730	0
Prior Year Encumbrances Appropriated	147,333	147,333	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 195,337	\$ 195,337

Elyria City School District
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2012*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 8,000	\$ 0	\$ (8,000)
Expenditures			
Current:			
Support Services:			
Central	8,399	366	8,033
<i>Net Change in Fund Balance</i>	(399)	(366)	33
<i>Fund Balance Beginning of Year</i>	399	399	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 33	\$ 33

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 68,000	\$ 61,200	\$ (6,800)
Expenditures			
Current:			
Instruction:			
Special	68,000	68,000	0
<i>Net Change in Fund Balance</i>	0	(6,800)	(6,800)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ (6,800)	\$ (6,800)

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 24,706	\$ 25,200	\$ 494
Expenditures			
Current:			
Support Services:			
Central	73,865	73,865	0
<i>Net Change in Fund Balance</i>	(49,159)	(48,665)	494
<i>Fund Balance at Beginning of Year</i>	49,159	49,159	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 494	\$ 494

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Support Services:			
Central	158	158	0
<i>Net Change in Fund Balance</i>	(158)	(158)	0
<i>Fund Balance Beginning of Year</i>	259	259	0
<i>Fund Balance End of Year</i>	\$ 101	\$ 101	\$ 0

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(78)	(78)	0
<i>Net Change in Fund Balance</i>	(78)	(78)	0
<i>Fund Balance Beginning of Year</i>	78	78	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer School Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Uses			
Refund of Prior Year Receipts	(424)	(424)	0
<i>Net Change in Fund Balance</i>	(424)	(424)	0
<i>Fund Balance Beginning of Year</i>	424	424	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative Schools Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 127,985	\$ 99,461	\$ (28,524)
Expenditures			
Current:			
Support Services:			
Instructional Staff	0	329	(329)
Administration	134,513	104,404	30,109
<i>Total Expenditures</i>	134,513	104,733	29,780
<i>Net Change in Fund Balance</i>	(6,528)	(5,272)	1,256
<i>Fund Balance Beginning of Year</i>	6,466	6,466	0
Prior Year Encumbrances Appropriated	62	62	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 1,256	\$ 1,256

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Aid Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(1,815)	(1,815)	0
<i>Net Change in Fund Balance</i>	(1,815)	(1,815)	0
<i>Fund Balance Beginning of Year</i>	1,815	1,815	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Uses			
Refund of Prior Year Receipts	(10,087)	(2,218)	(7,869)
<i>Net Change in Fund Balance</i>	(10,087)	(2,218)	(7,869)
<i>Fund Balance Beginning of Year</i>	10,087	10,087	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 7,869</u>	<u>\$ (7,869)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Jobs Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 815,821	\$ 617,432	\$ (198,389)
Expenditures			
Current:			
Instruction:			
Regular	456,001	199,777	256,224
Student Intervention Services	198,490	124,175	74,315
Support Services:			
Pupils	0	133,210	(133,210)
Instructional Staff	0	68,689	(68,689)
Administration	271,053	210,371	60,682
Operation of Non-Instructional Services:			
Community Services	0	62,152	(62,152)
<i>Total Expenditures</i>	<u>925,544</u>	<u>798,374</u>	<u>127,170</u>
<i>Net Change in Fund Balance</i>	(109,723)	(180,942)	(71,219)
<i>Fund Balance Beginning of Year</i>	<u>109,723</u>	<u>109,723</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ (71,219)</u>	<u>\$ (71,219)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to The Top Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 4,550	\$ 4,550	\$ 0
Expenditures			
Current:			
Instruction:			
Regular	4,550	4,550	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 2,349,095	\$ 1,766,737	\$ (582,358)
Expenditures			
Current:			
Instruction:			
Special	479,967	425,796	54,171
Support Services:			
Pupils	253,608	217,056	36,552
Instructional Staff	1,273,293	1,111,310	161,983
Administration	263,548	224,465	39,083
Pupil Transportation	30,801	29,961	840
Operation of Non-Instructional Services:			
Community Services	116,568	108,844	7,724
<i>Total Expenditures</i>	<u>2,417,785</u>	<u>2,117,432</u>	<u>300,353</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(68,690)</u>	<u>(350,695)</u>	<u>(282,005)</u>
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	0	(91)	(91)
Advances Out	(74,222)	(74,222)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(74,222)</u>	<u>(74,313)</u>	<u>(91)</u>
<i>Net Change in Fund Balance</i>	(142,912)	(425,008)	(282,096)
<i>Fund Balance Beginning of Year</i>	59,720	59,720	0
Prior Year Encumbrances Appropriated	144,770	144,770	0
<i>Fund Balance End of Year</i>	<u>\$ 61,578</u>	<u>\$ (220,518)</u>	<u>\$ (282,096)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Fiscal Stabilization Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 12,639	\$ 12,639	\$ 0
Expenditures			
Current:			
Instruction:			
Regular	390,618	386,710	3,908
Student Intervention Services	10,966	0	10,966
Support Services:			
Administration	0	14,874	(14,874)
<i>Total Expenditures</i>	<u>401,584</u>	<u>401,584</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(388,945)	(388,945)	0
<i>Fund Balance Beginning of Year</i>	<u>388,945</u>	<u>388,945</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II - D Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 237,088	\$ 132,482	\$ (104,606)
Expenditures			
Current:			
Instruction:			
Regular	24,336	17,985	6,351
Support Services:			
Instructional Staff	4,261	7,777	(3,516)
Operation of Non-Instructional Services:			
Community Services	1	0	1
<i>Total Expenditures</i>	<u>28,598</u>	<u>25,762</u>	<u>2,836</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>208,490</u>	<u>106,720</u>	<u>(101,770)</u>
Other Financing Sources (Uses)			
Advances Out	<u>(104,424)</u>	<u>(104,424)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	104,066	2,296	(101,770)
<i>Fund Balance Beginning of Year</i>	<u>358</u>	<u>358</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 104,424</u></u>	<u><u>\$ 2,654</u></u>	<u><u>\$ (101,770)</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I School Improvement Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 260,159	\$ 137,154	\$ (123,005)
Expenditures			
Current:			
Support Services:			
Instructional Staff	214,775	137,544	77,231
<i>Excess of Revenues Over (Under) Expenditures</i>	45,384	(390)	(45,774)
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(29)	(29)	0
Advances Out	(35,277)	(35,277)	0
<i>Total Other Financing Sources (Uses)</i>	(35,306)	(35,306)	0
<i>Net Change in Fund Balance</i>	10,078	(35,696)	(45,774)
<i>Fund Balance Beginning of Year</i>	8,253	8,253	0
Prior Year Encumbrances Appropriated	16,948	16,948	0
<i>Fund Balance End of Year</i>	\$ 35,279	\$ (10,495)	\$ (45,774)

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 23,645	\$ 17,252	\$ (6,393)
Expenditures			
Current:			
Instruction:			
Regular	22,383	19,298	3,085
Support Services:			
Instructional Staff	2,490	624	1,866
<i>Total Expenditures</i>	<u>24,873</u>	<u>19,922</u>	<u>4,951</u>
<i>Net Change in Fund Balance</i>	(1,228)	(2,670)	(1,442)
<i>Fund Balance Beginning of Year</i>	<u>1,228</u>	<u>1,228</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ (1,442)</u></u>	<u><u>\$ (1,442)</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 3,507,591	\$ 2,198,501	\$ (1,309,090)
Expenditures			
Current:			
Instruction:			
Special	2,164,846	1,712,086	452,760
Support Services:			
Pupils	460,030	394,281	65,749
Instructional Staff	779,614	544,124	235,490
Administration	158,603	126,499	32,104
Pupil Transportation	126,104	113,865	12,239
Operation of Non-Instructional Services:			
Community Services	17,181	17,088	93
<i>Total Expenditures</i>	<u>3,706,378</u>	<u>2,907,943</u>	<u>798,435</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(198,787)</u>	<u>(709,442)</u>	<u>(510,655)</u>
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(10,081)	(44)	10,125
Transfers Out	0	(1)	(1)
<i>Total Other Financing Sources (Uses)</i>	<u>(10,081)</u>	<u>(45)</u>	<u>10,124</u>
<i>Net Change in Fund Balance</i>	(208,868)	(709,487)	(500,531)
<i>Fund Balance Beginning of Year</i>	154,993	154,993	0
Prior Year Encumbrances Appropriated	53,875	53,875	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ (500,619)</u>	<u>\$ (500,531)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Grant Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 80,367	\$ 63,221	\$ (17,146)
Expenditures			
Current:			
Instruction:			
Special	5,049	4,838	211
Support Services:			
Instructional Staff	4,050	3,646	404
Administration	65,525	56,028	9,497
<i>Total Expenditures</i>	<u>74,624</u>	<u>64,512</u>	<u>10,112</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,743</u>	<u>(1,291)</u>	<u>(7,034)</u>
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(120)	(120)	0
<i>Net Change in Fund Balance</i>	5,623	(1,411)	(7,034)
<i>Fund Balance Beginning of Year</i>	(7,475)	(7,475)	0
Prior Year Encumbrances Appropriated	1,852	1,852	0
<i>Fund Balance End of Year (Deficit)</i>	<u>\$ 0</u>	<u>\$ (7,034)</u>	<u>\$ (7,034)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 696,308	\$ 340,183	\$ (356,125)
Expenditures			
Current:			
Support Services:			
Instructional Staff	750,642	457,375	293,267
Operation of Non-Instructional Services:			
Community Services	4,930	4,755	175
<i>Total Expenditures</i>	<u>755,572</u>	<u>462,130</u>	<u>293,442</u>
<i>Net Change in Fund Balance</i>	(59,264)	(121,947)	(62,683)
<i>Fund Balance Beginning of Year</i>	50,489	50,489	0
Prior Year Encumbrances Appropriated	<u>8,775</u>	<u>8,775</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 0</u>	<u>\$ (62,683)</u>	<u>\$ (62,683)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Instruction:			
Regular	\$ 6	\$ 6	\$ 0
Support Services:			
Instructional Staff	2,000	1,275	725
<i>Total Expenditures</i>	2,006	1,281	725
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,006)	(1,281)	725
Other Financing Uses			
Refund of Prior Year Receipts	(2,380)	(2,401)	(21)
<i>Net Change in Fund Balance</i>	(4,386)	(3,682)	704
<i>Fund Balance Beginning of Year</i>	4,407	4,407	0
<i>Fund Balance End of Year</i>	\$ 21	\$ 725	\$ 704

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 2,882,635	\$ 2,484,138	\$ (398,497)
Intergovernmental	2,500,000	347,860	(2,152,140)
<i>Total Revenues</i>	<u>5,382,635</u>	<u>2,831,998</u>	<u>(2,550,637)</u>
Expenditures			
Current:			
Support Services:			
Fiscal	42,000	40,056	1,944
Debt Service:			
Principal Retirement	710,000	710,000	0
Interest and Fiscal Charges	2,056,488	2,056,488	0
<i>Total Expenditures</i>	<u>2,808,488</u>	<u>2,806,544</u>	<u>1,944</u>
<i>Net Change in Fund Balance</i>	2,574,147	25,454	(2,548,693)
<i>Fund Balance Beginning of Year</i>	<u>982,322</u>	<u>982,322</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,556,469</u>	<u>\$ 1,007,776</u>	<u>\$ (2,548,693)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Capital Outlay	\$ 129,529	\$ 99,792	\$ 29,737
<i>Excess of Revenues Under Expenditures</i>	<u>(129,529)</u>	<u>(99,792)</u>	<u>29,737</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	185,000	185,000
Transfers Out	<u>(770,470)</u>	<u>(770,470)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(770,470)</u>	<u>(585,470)</u>	<u>185,000</u>
<i>Net Change in Fund Balance</i>	(899,999)	(685,262)	214,737
<i>Fund Balance Beginning of Year</i>	<u>1,067,659</u>	<u>1,067,659</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 167,660</u></u>	<u><u>\$ 382,397</u></u>	<u><u>\$ 214,737</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Building Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Gifts and Donations	\$ 26,345	\$ 97,782	\$ 71,437
Miscellaneous	1,655,180	1	(1,655,179)
Interest	15,150	881	(14,269)
<i>Total Revenues</i>	<u>1,696,675</u>	<u>98,664</u>	<u>(1,598,011)</u>
Expenditures			
Capital Outlay	3,702,956	3,685,114	17,842
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,006,281)</u>	<u>(3,586,450)</u>	<u>(1,580,169)</u>
Other Financing Sources (Uses)			
Advances In	1,974,291	1,974,291	0
Advance Out	(1,580,169)	(1,580,169)	0
<i>Total Other Financing Sources (Uses)</i>	<u>394,122</u>	<u>394,122</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,612,159)	(3,192,328)	(1,580,169)
<i>Fund Balance Beginning of Year</i>	341,165	341,165	0
Prior Year Encumbrances Appropriated	2,851,163	2,851,163	0
<i>Fund Balance End of Year</i>	<u>\$ 1,580,169</u>	<u>\$ 0</u>	<u>\$ (1,580,169)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,794,861	\$ 492,595	\$ (1,302,266)
Interest	37,085	10,178	(26,907)
<i>Total Revenues</i>	<u>1,831,946</u>	<u>502,773</u>	<u>(1,329,173)</u>
Expenditures			
Capital Outlay	8,491,165	7,986,943	504,222
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,659,219)</u>	<u>(7,484,170)</u>	<u>(824,951)</u>
Other Financing Sources (Uses)			
Advances Out	(1,640,461)	(1,640,461)	0
Transfers In	770,470	770,470	0
<i>Total Other Financing Sources (Uses)</i>	<u>(869,991)</u>	<u>(869,991)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,529,210)	(8,354,161)	(824,951)
<i>Fund Balance Beginning of Year</i>	3,267,801	3,267,801	0
Prior Year Encumbrances Appropriated	5,901,869	5,901,869	0
<i>Fund Balance End of Year</i>	<u>\$ 1,640,460</u>	<u>\$ 815,509</u>	<u>\$ (824,951)</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Support Services:			
Central	\$ 293	\$ 293	\$ 0
<i>Net Change in Fund Balance</i>	(293)	(293)	0
<i>Fund Balance Beginning of Year</i>	293	293	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

***Individual Fund Schedules of Revenues, Expenses and Changes in
Fund Equity – Budget (Non-GAAP Basis) and Actual
Proprietary Funds***

ELYRIA CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES

Proprietary Funds

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

Self-Insurance Fund – This fund accounts for monies received from other funds as payment for providing medical, hospitalization, life, dental, vision or any other similar employee benefit. 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 payment or administration for stop-loss coverage or for any other reinsurance or other similar purposes.

Elyria City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Lunchroom/Cafeteria Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Sales	\$ 642,970	\$ 597,230	\$ (45,740)
Operating Expenses			
Salaries	957,992	722,613	235,379
Fringe benefits	316,719	287,225	29,494
Purchased services	2,042,635	2,004,378	38,257
Materials and supplies	127,409	115,293	12,116
Capital Outlay	25,000	21,257	3,743
<i>Total Operating Expenses</i>	<u>3,469,755</u>	<u>3,150,766</u>	<u>318,989</u>
<i>Operating Loss</i>	<u>(2,826,785)</u>	<u>(2,553,536)</u>	<u>273,249</u>
Non-Operating Revenues			
Intergovernmental	2,549,242	2,367,892	(181,350)
Interest	56	52	(4)
<i>Total Non-Operating Revenues</i>	<u>2,549,298</u>	<u>2,367,944</u>	<u>(181,354)</u>
<i>Net Change in Fund Equity</i>	(277,487)	(185,592)	91,895
<i>Fund Equity Beginning of Year</i>	271,731	271,731	0
Prior Year Encumbrances Appropriated	5,757	5,757	0
<i>Fund Equity End of Year</i>	<u>\$ 1</u>	<u>\$ 91,896</u>	<u>\$ 91,895</u>

Elyria City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self-Insurance Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 7,199,275	\$ 7,256,008	\$ 56,733
Other Revenues	0	133	133
<i>Total Operating Revenues</i>	<u>7,199,275</u>	<u>7,256,141</u>	<u>56,866</u>
Operating Expenses			
Salaries	50,859	50,464	395
Fringe benefits	451,968	304,629	147,339
Purchased services	279,866	392,969	(113,103)
Claims	7,066,905	6,948,025	118,880
Other	2,519	0	2,519
<i>Total Operating Expenses</i>	<u>7,852,117</u>	<u>7,696,087</u>	<u>156,030</u>
<i>Operating Income (Loss)</i>	<u>(652,842)</u>	<u>(439,946)</u>	<u>212,896</u>
Non-Operating Revenues			
Interest	0	509	509
<i>Net Change in Fund Equity</i>	(652,842)	(439,437)	213,405
<i>Fund Equity Beginning of Year</i>	1,823,791	1,823,791	0
Prior Year Encumbrances Appropriated	2,519	2,519	0
<i>Fund Equity End of Year</i>	<u>\$ 1,173,468</u>	<u>\$ 1,386,873</u>	<u>\$ 213,405</u>

***Individual Fund Schedules of Revenues, Expenses and Changes in
Fund Equity – Budget (Non-GAAP) and Actual
Fiduciary Fund***

ELYRIA CITY SCHOOL DISTRICT

COMBINING STATEMENT AND INDIVIDUAL FUND SCHEDULES

Fiduciary Funds

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The following are the School District's fiduciary fund types:

Private Purpose Trust Fund

Scholarship Trust Fund – This fund accounts for money, securities of land which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact.

Agency Funds

Student Managed Activities Fund – This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Elyria City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Scholarship Trust Fund
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Interest	\$ 0	\$ 28	\$ 28
Contributions and Donations	0	13,886	13,886
<i>Total Operating Revenues</i>	0	13,914	13,914
Operating Expenses			
Payments in Accordance with Trust Agreements	333,097	3,450	329,647
<i>Net Change in Fund Equity</i>	(333,097)	10,464	343,561
<i>Fund Equity Beginning of Year</i>	360,120	360,120	0
<i>Fund Equity End of Year</i>	\$ 27,023	\$ 370,584	\$ 343,561

Elyria City School District
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012

	Balance 6/30/2011	Additions	Deletions	Balance 6/30/2012
District Management				
Assets				
Equity in Pooled Cash and Investments	\$ 292	\$ 130	\$ 249	\$ 173
Total Assets	<u>\$ 292</u>	<u>\$ 130</u>	<u>\$ 249</u>	<u>\$ 173</u>
Liabilities				
Due to Students	\$ 292	\$ 0	119	\$ 173
Total Liabilities	<u>\$ 292</u>	<u>\$ 0</u>	<u>\$ 119</u>	<u>\$ 173</u>
Student Activity				
Assets				
Equity in Pooled Cash and Investments	\$ 206,931	\$ 462,258	\$ 465,249	\$ 203,940
Total Assets	<u>\$ 206,931</u>	<u>\$ 462,258</u>	<u>\$ 465,249</u>	<u>\$ 203,940</u>
Liabilities				
Accounts Payable	\$ 7,490	\$ 5,843	\$ 7,490	\$ 5,843
Due to Students	199,441	0	1,344	198,097
Total Liabilities	<u>\$ 206,931</u>	<u>\$ 5,843</u>	<u>\$ 8,834</u>	<u>\$ 203,940</u>
Totals				
Assets				
Equity in Pooled Cash and Investments	\$ 207,223	\$ 462,388	\$ 465,498	\$ 204,113
Total Assets	<u>\$ 207,223</u>	<u>\$ 462,388</u>	<u>\$ 465,498</u>	<u>\$ 204,113</u>
Liabilities				
Accounts Payable	\$ 7,490	\$ 5,843	\$ 7,490	\$ 5,843
Due to Students	199,733	0	1,463	198,270
Total Liabilities	<u>\$ 207,223</u>	<u>\$ 5,843</u>	<u>\$ 8,953</u>	<u>\$ 204,113</u>

STATISTICAL SECTION

Statistical Section

This part of the School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	S2-S6
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source.	S7-S10
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S11-S13
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S14-S15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S16-S26

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in the fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

Elyria City School District
Net Assets by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	Restated 2011	2012
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 5,455,137	\$ 4,562,508	\$ 3,933,767	\$ 3,746,145	\$ 3,359,347	\$ (2,247,500)	\$ 10,536,311	\$ 22,043,153	\$ 23,559,166	\$ 27,873,333
Restricted for:										
Capital Projects	2,669,729	2,122,554	1,644,202	1,931,852	5,121,548	28,645,025	19,750,648	11,084,930	4,734,602	1,464,027
Debt Service	769,297	576,703	373,730	950,874	27,183	506,834	969,281	923,062	1,077,092	1,302,341
Set Asides	0	0	0	0	0	44,236	137,471	444,812	687,692	0
Other Purposes	1,611,116	1,796,762	2,110,573	1,866,135	2,421,468	1,051,720	649,943	46,683	550,659	1,259,908
State Funded Programs	0	0	0	0	0	761,798	418,792	257,826	138,845	218,904
Federal Funded Programs	0	0	0	0	427,501	110,042	686,350	1,042,527	1,765,686	979,548
Student Activities	0	0	0	0	18,378	251,437	241,952	218,865	205,720	157,467
Unrestricted (Deficit)	9,558,826	6,593,715	4,041,676	(2,442,350)	(4,861,234)	(3,927,831)	(6,239,373)	(5,526,710)	(704,872)	(292,668)
Total Governmental Activities Net Assets	20,064,105	15,652,242	12,103,948	6,052,656	6,514,191	25,195,761	27,151,375	30,535,148	32,014,590	32,962,860
Business-type Activities:										
Invested in Capital Assets, Net of Related Debt	215,686	185,087	155,881	155,881	124,179	97,550	71,484	121,836	94,230	632,625
Unrestricted (Deficit)	159,816	212,692	227,822	(83,837)	158,005	161,750	50,752	148,772	78,292	108,963
Total Business-type Activities Net Assets	375,502	397,779	383,703	72,044	282,184	259,300	122,236	270,608	172,522	741,588
Primary Government:										
Invested in Capital Assets, Net of Related Debt	5,670,823	4,747,595	4,089,648	3,902,026	3,483,526	(2,149,950)	10,607,795	22,164,989	23,653,396	28,505,958
Restricted	5,050,142	4,496,019	4,128,505	4,748,861	8,016,078	31,371,092	22,854,437	14,018,705	9,160,296	5,382,195
Unrestricted (Deficit)	9,718,642	6,806,407	4,269,498	(2,526,187)	(4,703,229)	(3,766,081)	(6,188,621)	(5,377,938)	(626,580)	(183,705)
Total Primary Government Net Assets	\$ 20,439,607	\$ 16,050,021	\$ 12,487,651	\$ 6,124,700	\$ 6,796,375	\$ 25,455,061	\$ 27,273,611	\$ 30,805,756	\$ 32,187,112	\$ 33,704,448

Source: School District financial records

Elyria City School District
Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
Regular Instruction	\$ 30,821,532	\$ 29,624,561	\$ 31,649,471	\$ 30,324,346	\$ 33,699,210	\$ 33,710,202	\$ 29,986,308	\$ 30,677,977	\$ 29,324,385	\$ 31,525,685
Special Instruction	9,309,759	9,113,085	9,763,249	9,376,862	9,944,646	10,604,886	10,744,900	11,252,236	11,056,358	9,971,233
Vocational Instruction	295,979	306,809	352,683	363,744	363,315	359,157	227,995	223,734	230,941	271,168
Adult Instruction	69,898	69,504	72,170	56,007	77,581	63,512	73,475	90,580	0	0
Student Intervention Services (1)	0	0	0	0	0	638,592	675,918	362,338	295,731	391,685
Other Instruction	3,023,391	3,855,812	4,682,829	5,123,266	6,138,664	6,234,168	6,673,943	7,402,117	8,120,803	9,297,276
Pupil Support	4,988,514	5,110,344	5,370,367	4,530,777	4,778,759	4,748,054	4,185,131	4,320,730	4,351,555	4,008,503
Instructional Staff Support	5,253,519	4,846,921	4,943,033	4,534,477	4,801,888	5,094,128	5,144,944	5,210,569	5,033,837	4,596,716
Board of Education	53,309	115,881	82,330	93,169	129,282	51,691	104,943	117,662	0	38,553
Administration	5,489,448	4,959,822	5,603,999	5,197,206	5,396,405	5,363,883	5,002,750	4,698,220	5,274,119	5,134,013
Fiscal	1,423,861	1,556,168	1,758,681	1,439,234	1,851,967	1,712,373	1,730,692	1,758,975	1,803,790	1,694,615
Business	964,200	832,056	1,000,184	1,148,114	680,525	787,272	664,862	624,956	620,316	616,011
Operation and Maintenance of Plant	6,792,093	6,900,583	6,639,825	7,899,488	7,235,350	8,570,873	7,833,498	5,869,301	6,538,866	6,185,693
Pupil Transportation	2,495,848	3,142,194	3,198,557	2,665,086	3,062,472	3,236,629	3,198,960	3,263,970	3,118,652	3,818,599
Central	1,718,658	1,336,426	1,565,055	1,317,013	1,353,315	1,296,655	1,364,039	1,316,634	1,476,442	1,538,268
Operation of Non-Instructional Services	1,712,503	1,586,493	1,854,580	1,693,187	1,721,445	1,806,047	1,760,690	1,434,159	1,838,111	1,608,596
Extracurricular Activities	1,495,087	1,574,321	1,400,631	1,294,248	1,347,414	1,223,070	1,425,979	1,320,365	1,253,432	1,436,361
Interest and Fiscal Charges	81,549	59,738	43,075	380,415	263,789	2,161,303	2,503,678	2,575,662	2,473,375	2,469,247
Total Governmental Activities Expenses	75,989,148	74,990,718	79,980,719	77,436,639	82,846,027	87,662,495	83,302,705	82,520,185	82,810,713	84,602,222
Business-type Activities:										
Food Service	2,577,737	2,618,632	2,678,175	2,704,945	3,015,498	3,144,251	3,253,678	2,898,273	3,054,910	2,949,942
Total Business-type Activities Expenses	2,577,737	2,618,632	2,678,175	2,704,945	3,015,498	3,144,251	3,253,678	2,898,273	3,054,910	2,949,942
Total Primary Government Expenses	78,566,885	77,609,350	82,658,894	80,141,584	85,861,525	90,806,746	86,556,383	85,418,458	85,865,623	87,552,164
Program Revenues										
Governmental Activities:										
Charges for Services	0	615,424	212,169	1,062,428	1,282,570	1,339,605	1,793,026	1,405,561	1,390,222	1,311,238
Regular Instruction	1,576,791	1,135,243	1,204,802	315,540	411,576	582,079	0	258,583	278,720	342,019
Special Instruction	0	362	0	0	0	0	0	0	0	0
Adult Instruction	0	22,063	22,345	0	19,546	0	0	0	0	0
Pupil Support	0	59,322	25,201	2,277	0	0	0	0	0	0
Instructional Staff	0	30,065	30,285	0	0	0	0	0	0	0
Fiscal	0	0	0	77,716	77,579	74,311	76,178	87,314	75,966	0
Operation and Maintenance of Plant	0	276	141	0	4,890	28,685	0	0	0	442
Central	0	945	1,379	2,559	425	151	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0	0	0	0	0	0
Extracurricular Activities	208,441	426,014	447,834	396,602	411,749	407,869	304,238	328,811	260,053	309,156
Operating Grants and Contributions	0	1,099,523	1,251,001	1,613,848	2,530,266	2,187,563	181,970	327,391	936,962	310,180
Regular Instruction	2,085,097	2,680,839	2,669,948	2,300,478	2,620,309	5,595,356	5,924,836	3,656,735	3,174,684	1,905,714
Special Instruction	0	0	0	0	136,457	0	225,370	115,586	116,453	0
Vocational Instruction	72,708	68,589	71,619	148,726	81,162	83,458	69,320	0	0	0
Adult Instruction	0	0	0	250,090	633,730	620,244	0	0	0	0
Other Instruction	61,501	597,555	774,176	429,815	669,449	1,648,395	649,578	429,201	1,169,532	570,483
Pupil Support	922,320	1,761,242	2,834,389	1,904,682	2,361,618	2,437,879	2,638,976	3,520,094	2,889,018	2,480,001
Instructional Staff Support	140,874	679,642	905,757	1,037,027	813,880	726,145	402,762	156,897	907,706	0
Administration	0	0	0	0	0	0	0	109,022	51,028	458,031
Fiscal	0	0	0	0	22,589	26,351	0	0	0	0
Business	0	1,027	0	111,408	493,754	440,378	584,371	0	0	221,861
Operation and Maintenance of Plant	49,979	73,966	91,798	0	498,800	688,697	115,712	18,525	95,841	113,865
Pupil Transportation	30,346	89,854	95,670	89,188	179,022	89,184	108,422	56,778	98,559	25,200
Central	1,082,753	1,185,307	1,219,654	1,218,120	1,219,320	1,273,479	1,175,869	988,682	1,092,124	978,108
Operation of Non-Instructional Services	0	0	0	55,007	93,645	59,381	41,298	43,613	21,639	112,021
Extracurricular Activities	0	0	0	0	0	0	0	0	0	0

(continued)

Elyria City School District
Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Capital Grants and Contributions										
Regular Instruction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,935	\$ 0	\$ 0	\$ 0	\$ 76,326	\$ 0
Special Instruction	0	0	0	0	7,185	0	0	0	0	0
Instructional Staff Support	0	0	0	0	501	0	0	0	0	0
Fiscal	0	0	0	0	0	0	57,294	0	0	0
Central	70,595	0	72,135	0	0	0	0	0	0	0
Operation and Maintenance of Plant	0	161,488	0	0	14,689	0	1,377,210	1,745,879	237,058	237,913
Pupil Transportation	0	0	0	37,077	45,253	20,837	42,413	0	0	0
Extracurricular Activities	0	0	0	0	17,951	0	0	0	0	0
Total Governmental Activities Program Revenues	6,301,405	10,688,746	11,930,303	11,052,588	14,691,850	18,330,047	15,768,843	13,248,672	12,871,891	9,376,232
Business-type Activities:										
Charges for Services										
Food Service	840,491	885,967	819,045	812,436	859,248	830,195	3,116,049	647,176	627,723	686,628
Operating Grants and Contributions	1,661,653	1,844,303	1,843,386	1,578,490	2,364,057	2,289,921	0	2,399,357	2,334,647	2,248,489
Total Business-type Activities Program Revenues	2,502,144	2,730,270	2,662,431	2,390,926	3,223,305	3,120,116	3,116,049	3,046,533	2,962,370	2,935,117
Total Primary Government Program Revenues	8,803,549	13,419,016	14,592,734	13,443,514	17,915,155	21,450,163	18,884,892	16,295,205	15,834,261	12,311,349
Net (Expense)/Revenue										
Governmental Activities	(69,687,743)	(64,301,972)	(68,050,416)	(66,384,051)	(68,154,177)	(69,332,448)	(67,533,862)	(69,271,513)	(69,938,822)	(75,225,990)
Business-type Activities	(75,593)	111,638	(15,744)	(314,019)	207,807	(24,135)	(137,629)	148,260	(92,540)	(14,825)
Total Primary Government Net (Expense)/Revenue	\$ (69,763,336)	\$ (64,190,334)	\$ (68,066,160)	\$ (66,698,070)	\$ (67,946,370)	\$ (69,356,583)	\$ (67,671,491)	\$ (69,123,253)	\$ (70,031,362)	\$ (75,240,815)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$ 34,373,284	\$ 30,077,354	\$ 33,255,486	\$ 28,393,790	\$ 31,469,428	\$ 29,463,435	\$ 26,727,846	\$ 25,298,002	\$ 29,145,296	\$ 30,745,255
Debt Service	267,286	173,964	165,325	952,421	0	1,750,830	2,398,152	2,456,971	2,610,859	2,596,719
Other Purposes	0	0	0	0	0	0	408,269	412,893	401,634	582,548
Grants and Entitlements not Restricted to Specific Programs	32,727,126	28,971,881	30,408,503	29,446,131	32,601,312	53,735,625	38,831,619	43,594,198	44,165,628	42,170,409
Investment Earnings	506,654	299,727	441,169	588,635	835,465	2,392,798	244,585	86,613	52,585	48,133
Miscellaneous	1,572,814	183,727	316,991	1,335,485	112,603	671,330	879,005	806,609	580,702	445,122
Gain from Sale of Capital Assets	0	0	0	0	0	0	0	0	861,343	169,913
Transfers	(147,605)	0	0	0	0	0	0	0	0	(583,839)
Total Governmental Activities	69,299,559	59,706,653	64,587,474	60,716,462	65,018,808	88,014,018	69,489,476	72,655,286	77,818,047	76,174,260
Business-type Activities:										
Investment Earnings	483	542	1,668	2,360	2,333	1,251	565	112	144	52
Transfers	147,605	0	0	0	0	0	0	0	0	583,839
Total Business-type Activities	148,088	542	1,668	2,360	2,333	1,251	565	112	144	583,891
Total Primary Government	69,447,647	59,707,195	64,589,142	60,718,822	65,021,141	88,015,269	69,490,041	72,655,398	77,818,191	76,758,151
Change in Net Assets										
Governmental Activities	(388,184)	(4,595,319)	(3,462,942)	(5,667,589)	(3,135,369)	18,681,570	1,955,614	3,383,773	7,879,225	948,270
Business-type Activities	72,495	112,180	(14,076)	(311,659)	210,140	(22,884)	(137,064)	148,372	(92,396)	569,066
Total Primary Government Change in Net Assets	\$ (315,689)	\$ (4,483,139)	\$ (3,477,018)	\$ (5,979,248)	\$ (2,925,229)	\$ 18,658,686	\$ 1,818,550	\$ 3,532,145	\$ 7,786,829	\$ 1,517,336

Source: School District financial records

(1) The School District began to report student intervention services in fiscal year 2008.

Elyria City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	Restated 2011	2012
General Fund										
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5,391	\$ 5,349
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	685,877	0
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,651,309	1,304,033
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,314,738	2,750,651
Reserved	\$ 4,588,079	\$ 4,476,170	\$ 6,203,101	\$ 4,782,671	\$ 5,573,877	\$ 4,843,019	\$ 2,142,769	\$ 2,961,606	N/A	N/A
Unreserved	4,376,261	(87,818)	(4,564,004)	(4,612,445)	(2,809,417)	(3,932,789)	(3,682,599)	(3,112,204)	N/A	N/A
<i>Total General Fund</i>	8,964,340	4,388,352	1,639,097	170,226	2,764,460	910,230	(1,539,830)	(150,598)	3,657,315	4,060,033
All Other Governmental Funds										
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,614,054	4,590,105
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(123,875)	(1,757,300)
Reserved	1,195,833	1,106,076	644,959	1,969,228	407,360	1,242,278	36,636,916	25,215,613	N/A	N/A
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	1,124,304	921,203	676,252	1,714,596	2,505,017	2,002,079	756,444	170,086	N/A	N/A
Debt Service Fund	0	0	0	27,183	27,183	227,063	829,503	936,109	N/A	N/A
Capital Projects Funds	2,606,183	2,057,448	1,503,904	756,482	5,039,861	42,674,720	16,718,713	919,240	N/A	N/A
Total All Other Governmental Funds	4,926,320	4,084,727	2,825,115	4,467,489	7,979,421	46,146,140	54,941,576	27,241,048	10,490,179	2,832,805
<i>Total Governmental Funds</i>	\$ 13,890,660	\$ 8,473,079	\$ 4,464,212	\$ 4,637,715	\$ 10,743,881	\$ 47,056,370	\$ 53,401,746	\$ 27,090,450	\$ 14,147,494	\$ 6,892,838

Source: School District financial records

Note: Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting was implemented July 1, 2010. Table reflects that only for fiscal year 2011. Prior 8 fiscal years were not reclassified.

Elyria City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property and Other Local Taxes	\$ 32,312,688	\$ 30,060,012	\$ 32,484,610	\$ 32,040,353	\$ 31,183,300	\$ 30,892,056	\$ 29,165,954	\$ 29,384,209	\$ 32,065,632	\$ 32,845,379
Intergovernmental	37,609,121	37,522,772	39,566,176	39,672,825	44,543,615	49,267,252	68,328,944	52,907,884	54,617,582	49,863,633
Interest	436,535	274,734	385,568	498,059	723,588	2,319,616	1,504,388	540,613	136,125	59,470
Tuition and Fees	1,367,169	1,478,415	1,204,802	1,349,965	1,672,369	1,914,967	1,488,391	1,681,792	1,591,906	1,625,513
Extracurricular Activities	208,441	263,465	255,565	333,198	347,197	360,412	304,241	328,813	260,053	309,600
Contributions and Donations	0	0	0	148,045	446,259	200,399	828,639	1,833,837	450,744	609,950
Rentals	0	0	0	77,717	77,579	74,311	76,178	87,314	75,965	38,344
Charges for Services	261,887	250,386	164,623	2,559	425	0	0	0	0	0
Miscellaneous	1,217,433	477,723	627,095	1,511,748	223,370	748,506	882,518	794,580	592,730	343,807
Total Revenues	73,413,274	70,327,507	74,688,439	75,634,469	79,217,702	85,777,519	102,579,253	87,559,042	89,790,737	85,695,696
Expenditures										
Current:										
Instruction:										
Regular	29,177,819	29,919,369	30,145,146	29,539,837	30,594,294	29,976,879	29,960,875	30,998,387	29,863,714	30,509,139
Special	8,947,016	9,403,221	9,597,893	9,238,499	9,243,533	10,408,901	10,408,188	11,307,386	11,054,715	9,939,700
Vocational	276,238	296,045	350,838	344,886	363,831	361,101	226,607	224,799	234,433	266,684
Adult	69,347	68,953	71,619	55,732	77,197	62,930	72,801	88,477	0	0
Student Intervention Services (1)	0	0	0	0	0	638,592	675,918	362,338	295,731	392,256
Other	3,023,391	3,855,812	4,682,829	5,123,266	6,061,018	6,179,830	6,676,199	7,379,141	8,172,429	9,296,003
Support Services:										
Pupils	4,869,487	5,247,102	5,223,783	4,506,386	4,434,255	4,689,388	4,082,001	4,310,813	4,375,148	4,014,413
Instructional Staff	4,969,212	4,677,036	4,884,329	4,364,576	4,537,661	4,933,754	4,937,837	5,115,977	5,163,013	4,640,037
Board of Education	53,309	115,881	82,330	93,169	129,282	51,691	104,943	117,662	0	38,553
Administration	5,151,754	5,193,092	5,419,991	5,022,970	5,091,119	5,275,225	4,759,736	4,741,611	5,130,180	5,089,614
Fiscal	1,381,960	1,560,604	1,756,688	1,395,835	1,811,457	1,694,880	1,714,090	1,749,974	1,756,369	1,769,610
Business	944,392	760,545	999,273	1,131,684	671,140	785,067	646,906	630,910	620,267	621,288
Operation and Maintenance of Plant	6,394,881	6,352,738	6,272,668	7,351,557	6,719,659	6,813,775	6,869,330	5,494,533	6,160,275	5,506,948
Pupil Transportation	2,481,359	3,095,430	3,198,557	2,562,518	3,062,472	3,236,629	3,198,960	3,263,970	3,118,652	3,818,599
Central	1,500,277	1,157,404	1,395,321	1,129,708	1,253,318	1,259,553	1,326,184	1,294,594	1,453,842	1,550,833
Operation of Non-Instructional Services	1,724,033	1,578,708	1,902,631	1,615,447	1,690,632	1,744,942	1,847,686	1,467,175	1,824,142	1,583,272
Extracurricular Activities	1,366,050	1,393,910	1,367,461	1,272,262	1,328,896	1,216,074	1,404,073	1,259,578	1,223,816	1,400,782
Capital Outlay	391,273	783,234	357,455	6,351,373	201,220	7,392,177	12,501,387	30,503,669	19,876,585	9,305,610
Debt Service:										
Principal Retirement	366,438	375,294	418,049	895,875	576,763	5,582,990	759,594	1,150,874	1,144,683	1,169,276
Interest and Fiscal Charges	83,271	61,614	44,046	380,415	267,322	1,901,235	2,362,890	2,320,498	2,273,834	2,228,597
Issuance Costs	0	0	0	0	0	191,111	0	0	0	0
Total Expenditures	73,171,507	75,895,992	78,170,907	82,375,995	78,115,069	94,396,724	94,536,205	113,782,366	103,741,828	93,141,214
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>241,767</i>	<i>(5,568,485)</i>	<i>(3,482,468)</i>	<i>(6,741,526)</i>	<i>1,102,633</i>	<i>(8,619,205)</i>	<i>8,043,048</i>	<i>(26,223,324)</i>	<i>(13,951,091)</i>	<i>(7,445,518)</i>
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	0	3,299	11,731	0	0	0	2,328	12,028	1,034,795	190,862
Bond Anticipation Notes Issued	0	0	0	0	5,000,000	0	0	0	0	0
Accrued Interest Received on Notes Issued	0	0	0	0	3,533	0	0	0	0	0
Premium on Bonds	0	0	0	0	0	631,723	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0	44,999,971	0	0	0	0
Inception of Capital Lease	0	0	0	6,915,029	0	0	0	0	0	0
Transfers In	727,713	279,502	2,400,000	597,608	983,000	1,465,002	4,376,275	2,789,215	0	770,491
Transfers Out	(875,318)	(279,502)	(2,400,000)	(597,608)	(983,000)	(2,165,002)	(6,076,275)	(2,889,215)	0	(770,491)
Total Other Financing Sources (Uses)	(147,605)	3,299	11,731	6,915,029	5,003,533	44,931,694	(1,697,672)	(87,972)	1,034,795	190,862
Net Change in Fund Balances	\$ 94,162	\$ (5,565,186)	\$ (3,470,737)	\$ 173,503	\$ 6,106,166	\$ 36,312,489	\$ 6,345,376	\$ (26,311,296)	\$ (12,916,296)	\$ (7,254,656)
Debt Service as a Percentage of Noncapital Expenditures	0.62%	0.58%	0.59%	1.68%	1.08%	8.82%	3.80%	4.17%	4.08%	4.02%

Source: School District financial records

(1) The School District began to report student intervention services in fiscal year 2008.

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

Collection Year	Real Property		Tangible Personal Property				Total		Weighted Average Tax Rate	
	Residential/Agricultural	Assessed Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
			Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2003	\$ 528,246,494	\$ 232,427,206	\$ 34,479,990	\$ 39,181,807	\$ 160,437,610	\$ 641,750,440	\$ 955,591,300	\$ 2,854,285,675	33.48%	56.81
2004	562,129,020	253,380,260	31,978,290	36,338,966	146,627,529	586,510,116	994,115,099	2,952,875,596	33.67%	56.73
2005	559,361,640	253,380,260	31,978,290	36,338,966	149,394,909	597,579,636	994,115,099	2,956,038,316	33.63%	56.48
2006	565,572,840	256,594,940	29,596,200	33,632,045	108,182,189	432,728,756	959,946,169	2,815,411,601	34.10%	56.48
2007	647,833,150	279,420,710	28,977,010	32,928,420	72,156,961	288,627,844	1,028,387,831	2,970,853,007	34.62%	59.40
2008	648,931,130	277,184,760	20,155,070	22,903,489	35,539,997	142,159,988	981,810,957	2,811,108,877	34.93%	63.30
2009	648,708,757	277,354,880	20,633,480	23,447,136	1,595,675	6,382,700	948,292,792	2,675,725,942	35.44%	63.50
2010	594,953,955	273,081,300	20,751,820	23,581,614	1,536,543	6,146,172	890,323,618	2,509,828,515	35.47%	64.32
2011	593,435,840	269,224,210	21,583,770	24,527,011	0	0	884,243,820	2,489,270,012	35.52%	69.58
2012	588,891,670	266,048,900	23,047,630	26,190,489	0	0	877,988,200	2,468,877,832	35.56%	69.73

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35% of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment. General business inventory tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the percent rollback for commercial/industrial property has been eliminated.

Source: Office of the County Auditor, Lorain County, Ohio

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

Collection Year	Direct Rates			Overlapping Rates					Total Levy
	Voted		Permanent Improvement	City of Elyria Levy	Lorain County Levy	JVS	Lorain Library District		
	General	Bond						Unvoted	
2003	52.41	0.20	0.00	4.20	12.89	2.45	0.00	76.35	
2004	52.33	0.20	0.00	4.20	12.89	2.45	0.00	76.27	
2005	52.13	0.15	0.00	5.20	13.19	2.45	0.00	77.32	
2006	56.03	0.00	0.00	5.20	13.49	2.45	0.15	81.52	
2007	55.20	0.00	0.00	5.20	13.49	2.45	0.00	80.54	
2008	55.73	2.87	0.50	5.20	13.39	2.45	0.00	84.34	
2009	55.83	2.97	0.50	5.20	13.39	2.45	0.00	84.54	
2010	56.38	3.24	0.50	6.10	13.39	2.45	0.00	86.26	
2011	61.62	3.26	0.50	6.10	13.69	2.45	0.00	91.82	
2012	61.75	3.28	0.50	6.10	13.69	2.45	0.00	91.97	

Source: Office of the County Auditor, Lorain County, Ohio and Department of Taxation

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

Elyria City School District
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Delinquent Tax Receivable
2002	\$ 29,540,935	\$ 29,399,440	99.52%	\$ 1,274,768	\$ 30,674,208	103.84%	\$ 141,495
2003	32,941,887	31,652,776	96.09%	1,210,319	32,863,095	99.76%	1,289,111
2004	33,139,216	31,391,812	94.73%	1,049,836	32,441,648	97.90%	1,747,404
2005	34,640,923	31,865,879	91.99%	1,257,136	33,123,015	95.62%	1,517,908
2006	35,127,106	32,068,069	91.29%	1,848,562	33,916,631	96.55%	1,210,475
2007	38,817,560	32,698,099	84.24%	2,104,300	34,802,399	89.66%	2,170,765
2008	40,461,300	34,611,161	85.54%	1,990,356	36,601,517	90.46%	2,539,078
2009	40,195,642	32,795,811	81.59%	N/A	32,795,811	81.59%	1,322,735
2010	44,020,312	34,488,624	78.35%	N/A	34,488,624	78.35%	1,414,892
2011	36,229,673	36,351,671	100.34%	N/A	36,351,671	100.34%	2,281,214

Source: Office of the County Auditor, Lorain County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2012 information cannot be presented because all collections have not been made by June 30, 2012.
- (3) The County information does not provide the applicable year when in which taxes are collected for, included delinquencies. Thus the "total collections" represent the total collections for the year instead of total collections of a particular tax year. As a result "total collection as a percent of a total levy" can exceed 100% in any particular year.

Elyria City School District
Principal Taxpayers - Real Estate Tax
2011 and 2002
Amount in 000's

Name of Taxpayer	2011	
	Assessed Value (1)	Percent of Real Property Assessed Value
Ohio Edison Company-First Energy	\$ 17,157	1.95%
Centro Midway LLC	13,642	1.55%
New Plan of Midway Inc.	7,551	0.86%
First Interstate Elyria Limited Partnership	5,737	0.65%
Hunters Crossing Apartments LLC Res #1	4,466	0.51%
Invacare Corporation	4,082	0.46%
Elyria United Methodist Village	3,426	0.39%
Midway Realty Company	2,963	0.34%
HK New Plan Exchange	2,853	0.32%
Elyria Retirement Investors	2,779	0.32%
Totals	<u>\$64,656</u>	<u>7.35%</u>
Total Real Assessed Valuation	<u>\$877,988</u>	
Name of Taxpayer	2002	
	Assessed Value (1)	Percent of Real Property Assessed Value
Elyria Joint Venture	\$ 13,492	1.43%
Ohio Edison	12,650	1.34%
Alltel Ohio	9,419	1.00%
West River Road	6,625	0.70%
First Interstate	5,714	0.61%
American Transmission Systems Inc.	5,578	0.59%
Sears Roebuck & Company	3,925	0.42%
Lorain Medical Investors	3,468	0.37%
Elyria Untied Methodist Village	2,993	0.32%
Holiday Inn of Elyria	2,946	0.31%
Totals	<u>\$66,810</u>	<u>7.09%</u>
Total Real Assessed Valuation	<u>\$944,179</u>	

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

Source: City of Elyria Comprehensive Annual Financial Report, for the year ended December 31, 2011

Elyria City School District

Ratio of Bonded Debt to Estimated Actual Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value Property(2)	General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value		Net Bonded Debt Per Capita	Capital Leases	Total Debt Primary Government (3)	Ratio of General Debt to Estimated Actual Value	
						Bonded Debt to Estimated Actual Value	Bonded Debt to Estimated Actual Value				General Debt to Estimated Actual Value	General Debt to Estimated Actual Value
2003	55,716	\$ 2,173,353,429	\$ 1,050,000	\$ 734,399	\$ 315,601	0.01%	0.01%	\$ 5.66	\$ 0	\$ 1,050,000	0.05%	0.10%
2004	55,822	2,330,026,514	720,000	540,747	179,253	0.01%	0.01%	3.21	139,216	859,216	0.04%	0.08%
2005	55,718	2,322,119,714	370,000	329,415	40,585	0.00%	0.00%	0.73	71,167	441,167	0.02%	0.04%
2006	55,284	2,349,050,800	0	27,183	(27,183)	0.00%	0.00%	(0.49)	6,460,321	6,460,321	0.28%	0.60%
2007	55,018	2,649,296,743	5,000,000	27,183	4,972,817	0.19%	0.19%	90.39	5,883,558	10,883,558	0.41%	1.02%
2008	55,007	2,646,045,400	44,999,971	545,755	44,454,216	1.68%	1.68%	808.16	6,525,568	51,525,539	1.95%	4.84%
2009	54,947	2,645,896,106	44,919,971	977,337	43,942,634	1.66%	1.66%	799.73	5,845,974	50,765,945	1.92%	4.78%
2010	55,953	2,480,100,729	44,324,971	1,070,804	43,254,167	1.74%	1.74%	773.04	5,290,100	49,615,071	2.00%	4.34%
2011	55,953	2,464,743,000	43,639,971	1,216,235	42,423,736	1.72%	1.72%	758.20	4,830,417	48,470,388	1.97%	4.24%
2012	54,581	2,442,687,343	42,929,971	1,287,318	41,642,653	1.70%	1.70%	762.95	4,371,141	47,301,112	1.94%	4.11%

(1) U.S Bureau of Census, Census Population - Years 2002 through 2009

(2) Office of the County Auditor, Lorain County, Ohio

(3) See note to the financial statements regarding the School District's outstanding debt information (Excludes accretion interest on capital appreciation bonds)

Elyria City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tax Valuation	\$ 955,591,300	\$ 994,115,099	\$ 994,115,099	\$ 822,167,780	\$ 927,253,860	\$ 926,115,890	\$ 926,063,637	\$ 868,035,255	\$ 862,660,050	\$ 854,940,570
Debt Limit - 9% of Taxable Valuation (1)	86,003,217	89,470,359	89,470,359	73,995,100	83,452,847	83,350,430	83,345,727	78,123,173	77,639,405	76,944,651
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	1,050,000	720,000	370,000	0	0	44,999,971	44,919,971	44,324,971	43,639,971	42,929,971
Energy Conservation Improvement Bonds	0	0	0	0	0	0	0	0	0	0
Bus Acquisition Bond Anticipation Note	0	0	0	0	0	0	0	0	0	0
Bond Anticipation Note	0	0	0	0	0	0	0	0	0	0
Less: Amount Available in Debt Service	(734,399)	(540,747)	(329,415)	(27,183)	(27,183)	(545,755)	(977,337)	(1,070,804)	(1,216,235)	(1,287,318)
Amount of Debt Subject to Limit	315,601	179,253	40,585	(27,183)	(27,183)	44,454,216	43,942,634	43,254,167	42,423,736	41,642,653
Legal Debt Margin	\$ 85,687,616	\$ 89,291,106	\$ 89,429,774	\$ 74,022,283	\$ 83,480,030	\$ 38,896,214	\$ 39,403,093	\$ 34,869,006	\$ 35,215,669	\$ 35,301,998
Legal Debt Margin as a Percentage of Debt Limit	99.63%	99.80%	99.95%	100.04%	100.03%	46.67%	47.28%	44.63%	45.36%	45.88%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	\$ 955,591	\$ 994,115	\$ 994,115	\$ 822,168	\$ 927,254	\$ 926,116	\$ 926,064	\$ 868,035	\$ 862,660	\$ 854,941
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Lorain County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

Elyria City School District
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2012

	<u>Debt Attributable to Governmental Activities</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct Debt;			
Payable from Property Taxes Elyria City School District	\$ 42,929,971	100.00%	\$ 42,929,971
Overlapping:			
Lorain County	25,290,000	13.20%	3,338,280
Elyria City	26,625,000	90.51%	24,098,288
Lorain City	20,048,468	0.24%	48,116
Total Overlapping Debt	<u>71,963,468</u>		<u>27,484,684</u>
Total Direct and Overlapping Debt	<u>\$ 114,893,439</u>		<u>\$ 70,414,655</u>

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2012 collection year.

**Elyria City School District
Demographic and Economic Statistics
Last Ten Years**

Year	Elyria CSD Area Population (1)	Lorain County Population	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)	Median Income
2003	55,716	289,327	\$ 1,077,770,304	\$ 19,344	5.70%	\$ 27,400
2004	55,822	293,155	1,079,820,768	19,344	5.90%	27,045
2005	55,718	295,517	1,077,808,992	19,344	7.90%	26,872
2006	55,284	299,111	1,069,413,696	19,344	7.40%	27,248
2007	55,018	301,628	1,064,268,192	19,344	6.10%	26,559
2008	55,007	303,972	1,064,055,408	19,344	7.20%	27,244
2009	54,947	304,639	1,062,894,768	19,344	10.10%	27,253
2010	54,533	301,356	1,144,484,071	20,987	9.80%	27,160
2011	54,533	301,356	1,144,484,071	20,987	8.50%	25,973
2012	54,581	301,614	1,149,585,022	21,062	7.70%	25,973

Sources: 1) US Bureau of Census, Census of Population.
(a) Years 2001 and 2010 - 2000 Federal Census
2) Ohio Department of Taxation
3) U.S. Department of Labor

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

Elyria City School District
Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
EMH Regional Medical Center	1,743	1	6.10%	1,073	4	3.74%
Lorain County	1,483	2	5.19%	1,296	1	4.52%
Elyria City School District	1,020	3	3.57%	1,170	3	4.08%
Invacare	991	4	3.47%	1,450	2	5.05%
Ridge Tool Company	583	5	2.04%	900	5	3.14%
The City of Elyria	486	6	1.70%	543	6	1.89%
Lorain County Community College	450	7	1.58%	475	7	1.66%
Bendix Commercial Vehicle Systems LLC	382	8	1.34%	N/A	N/A	0.00%
Parker Hannifin Corporation	320	9	1.12%	N/A	N/A	0.00%
Elyria Foundry Company	304	10	1.06%	N/A	9	0.00%
Elyria United Methodist Village	N/A	N/A	0.00%	400	8	1.39%
Englehard	N/A	N/A	0.00%	320	10	1.11%
Total	<u>7,762</u>		<u>27.17%</u>	<u>7,627</u>		<u>26.58%</u>
Total Employment within the School District	<u>28,555</u>			<u>28,700</u>		

Source: City of Elyria comprehensive annual financial report,
for the year ended December 31, 2010

Elyria City School District
School District Employees by Function/Program
Last Nine Fiscal Years

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Regular instruction									
Elementary classroom teachers	275.34	286.50	294.44	214.30	204.70	200.80	200.15	225.00	258.00
High school classroom teachers	97.82	99.68	101.50	170.20	160.60	160.60	149.80	134.00	154.00
Special instruction									
Elementary classroom teachers	45.30	48.49	50.42	72.50	70.26	75.49	63.92	30.00	47.00
Supplemental Service Teacher	9.70	9.50	11.50	27.60	29.77	30.15	35.15	23.90	38.00
High school classroom teachers	20.40	22.50	23.00	37.00	37.00	37.00	27.00	25.00	40.00
Vocational instruction									
High school classroom teachers	2.00	2.00	2.00	2.00	4.00	0.00	0.00	3.00	3.00
Pupil support services									
Adapted Physical Education Therapist	2.00	2.50	2.40	1.60	1.60	1.60	1.50	1.00	1.00
Curriculum Specialist	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Educational Services Teacher	6.20	6.00	7.80	9.20	9.10	0.00	0.00	0.00	0.00
Guidance counselors	1.00	1.00	32.00	27.20	29.00	23.00	22.02	21.02	23.00
Librarians	2.00	1.00	9.00	27.90	21.00	24.15	12.90	12.65	13.00
Nurse	0.67	0.67	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Occupational Therapist	5.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00	5.00
Other Professional - Educational	9.20	10.60	12.00	27.00	27.00	43.00	33.00	32.00	32.00
Physical Therapist	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Psychologists	1.00	1.00	17.00	8.80	8.75	13.32	12.32	20.32	22.00
Remedial Specialist	26.00	29.50	30.14	32.50	28.50	15.50	20.50	15.65	16.00
Social Work	1.00	1.00	1.00	4.20	4.29	2.15	2.05	2.15	2.00
Speech and language pathologists	8.70	9.68	10.36	11.00	10.92	9.93	9.93	9.50	10.00
Teacher Mentor/Evaluator	12.00	12.00	12.00	15.00	35.00	30.00	11.00	18.00	19.00
Tutor/Small Group Instructor	28.40	29.50	31.01	16.00	24.60	7.35	5.96	3.76	4.00
Administrators									
Elementary	22.00	22.10	23.00	23.00	15.00	14.00	11.00	11.00	11.00
High school	18.00	20.00	22.00	22.00	11.00	13.00	7.00	12.00	12.00
Operation of plant									
Custodians	5.00	5.00	5.00	56.50	56.25	53.25	41.25	41.25	41.25
Maintenance	2.00	2.00	2.00	16.00	17.00	17.00	17.00	17.00	17.00
Food service program									
Cooks	17.50	19.00	17.00	19.00	18.00	18.00	18.00	20.00	20.00

Source: School District Records.

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Note: Information prior to 2004 is not available.

Elyria City School District

**Building Statistics
Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Elyria High School										
Constructed in 1894										
Total building square footage	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207
Enrollment grades 9-12	1,886	1,977	2,010	2,059	2,087	2,008	2,069	2,076	2,323	2,102
Student capacity	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832
Eastern Heights Middle High School										
Constructed in 1969										
Total building square footage	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820
Enrollment grades 7 - 8	411	410	397	410	374	362	593	602	557	504
Student capacity	601	601	601	601	601	601	601	601	601	601
Northwood Middle High school										
Constructed in 1961										
Total building square footage	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076
Enrollment grades 7 - 8	490	485	433	409	407	420	443	589	548	532
Student capacity	487	487	487	487	487	487	487	487	487	487
Westwood Middle High School										
Constructed in 1970										
Total building square footage	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226
Enrollment grades 7 - 8	407	438	418	393	377	386	361	474	456	472
Student capacity	466	466	466	466	466	466	466	466	466	466
Hilltop Academy										
Constructed in 2001										
Total building square footage	15,745	15,745	15,745	15,745	15,745	15,745	15,745	Closed	Closed	Closed
Enrollment grades 6 - 9	33	31	25	26	19	24	21			
Cascade Elementary										
Constructed in 1929										
Total building square footage	35,472	35,472	35,472	35,472	35,472	35,472	Closed	Closed	Closed	Closed
Enrollment grades K - 6	352	351	333	295	248	250				
Student capacity	550	550	550	550	550	550				
Crestwood Elementary										
Constructed in 1955										
Total building square footage	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018
Enrollment grades K - 6	427	434	381	374	348	307	364	371	324	385
Student capacity	625	625	625	625	625	625	625	625	625	625

(continued)

Elyria City School District
Building Statistics
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Eastgate Elementary										
Constructed in 1961										
Total building square footage	38,957	38,957	38,957	38,957	38,957	38,957	Closed	Closed	Closed	Closed
Enrollment grades K - 6	337	334	305	282	277	317				
Student capacity	38,957	38,957	38,957	38,957	38,957	38,957				
Ely Elementary										
Constructed in 1920										
Total building square footage	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174
Enrollment grades K - 6	426	415	398	361	350	366	520	510	500	475
Student capacity	550	550	550	550	550	550	550	550	550	550
Erie Elementary										
Constructed in 1969										
Total building square footage	36,183	36,183	36,183	36,183	36,183	36,183	36,183	Closed	Closed	Closed
Enrollment grades K - 6	310	316	299	283	275	267	307			
Student capacity	375	375	375	375	375	375	375			
Franklin Elementary										
Constructed in 1950										
Total building square footage	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275
Enrollment grades K - 6	307	274	270	293	321	382	373	474	466	417
Student capacity	800	800	800	800	800	800	800	800	800	800
McKinley Elementary										
Constructed in 1907										
Total building square footage	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273
Enrollment grades K - 6	343	351	353	346	362	388	381	422	418	432
Student capacity	550	550	550	550	550	550	550	550	550	550
Oakwood Elementary										
Constructed in 1961										
Total building square footage	500	500	500	500	500	500	500	500	500	500
Enrollment grades 1 - 6	360	364	370	360	350	308	292	341	352	357
Student capacity	450	450	450	450	450	450	450	450	450	450
Prospect Elementary										
Constructed in 1965										
Total building square footage	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401
Enrollment grades K - 6	367	381	354	344	316	303	416	459	414	396
Student capacity	500	500	500	500	500	500	500	500	500	500

(continued)

Elyria City School District
Building Statistics
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Roosevelt Elementary										
Constructed in 1922										
Total building square footage	61,861	61,861	61,861	61,861	61,861	61,861	61,861	Closed	Closed	Closed
Enrollment grades K - 6	448	461	406	345	341	345	293			
Student capacity	650	650	650	650	650	650	650			
Windsor Elementary										
Constructed in 1963										
Total building square footage	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201
Enrollment grades K - 6	409	408	417	426	398	386	400	465	457	418
Student capacity	675	675	675	675	675	675	675	675	675	675
Kindergarten Village										
Constructed in 1999										
Total building square footage	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369
Enrollment grades K - 1	311	324	318	305	335	353	271	185	182	101
Spring Valley Early Childhood Center										
Constructed in 1996										
Total building square footage	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785
Enrollment grades n/a	41	44	43	41	85	244	291	144	151	235

Source: School District Records.

**Elyria City School District
Operating Statistics
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Expenses (1)</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil/Teacher Ratio</u>
2003	\$ 78,566,885	7,820	\$ 10,047	n/a	561	13.9
2004	77,609,350	7,815	9,931	-116%	537	14.6
2005	82,658,894	7,528	10,980	1057%	536	14.0
2006	80,141,584	7,335	10,926	-49%	491	14.9
2007	85,861,525	7,277	11,799	7.99%	491	14.8
2008	85,796,656	7,315	11,729	-0.59%	483	15.1
2009	86,556,383	7,289	11,875	1.25%	503	14.5
2010	85,418,458	7,131	11,978	0.87%	522	13.7
2011	85,791,295	7,148	12,002	0.20%	525	13.6
2012	87,552,164	7,520	11,643	-3.00%	525	14.3

Source: School District Records.

(1) Expenses are reported on an accrual basis of accounting. Ten years of information will be provided when there is enough data available.

(2) Full-time equivalent per Ohio Department of Education.

Elyria City School District
Teachers' Salaries
Last Ten Fiscal Years

Fiscal Year	Minimum Salary ¹	Average Salary ²	Average Salary Comparable Districts ³	Statewide Average Salary ⁴
2003	27,738	45,736	50,557	45,645
2004	28,792	48,112	52,549	47,659
2005	29,512	49,137	55,419	49,438
2006	29,512	49,171	58,590	50,772
2007	29,512	51,554	57,736	53,536
2008	31,155	50,673	58,390	53,410
2009	31,934	51,535	60,208	54,656
2010	32,573	54,101	60,329	55,958
2011	33,859	55,915	59,976	56,715
2012	34,502	57,124	N/A	N/A

Source: School District Records.

- (1) Starting teacher with no experience.
 - (2) Provided by the Ohio Department of Education.
 - (3) Provided by the Ohio Department of Education.
 - (4) Provided by the Ohio Department of Education.
- N/A - Not available during CAFR preparation

Elyria City School District
Teachers by Education
Last Ten Fiscal Years

<u>Degree</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Bachelor's Degree	395	318	324	469	484	184	143	133	141	139
Master's Degree	267	263	216	271	300	421	389	386	381	385
Doctorate	5	2	2	3	3	4	2	3	3	3
Total	<u>667</u>	<u>583</u>	<u>542</u>	<u>743</u>	<u>787</u>	<u>609</u>	<u>534</u>	<u>522</u>	<u>525</u>	<u>527</u>

Source: School District Records.

Elyria City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	High Schools	Total
2003	5,901	1,919	7,820
2004	5,807	2,008	7,815
2005	5,493	2,035	7,528
2006	5,250	2,085	7,335
2007	5,171	2,106	7,277
2008	5,236	2,079	7,315
2009	5,193	2,096	7,289
2010	5,055	2,076	7,131
2011	4,825	2,323	7,148
2012	5,572	1,948	7,520

Source: Ohio Department of Education.

Elyria City School District
Nutrition Services
Last Ten Fiscal Years

<u>Degree</u>	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Average daily membership	6,869	7,148	7,131	7,289	7,315	7,277	7,335	7,528	7,815	7,820
Total students eligible for free lunch	3,459	3,459	3,460	3,566	3,495	3,479	3,352	3,291	2,946	2,736
Participation percent	50%	48%	49%	49%	48%	48%	46%	44%	38%	35%
Total student eligible for reduced lunch	451	451	496	695	623	699	663	677	757	702
Participation percent	7%	6%	7%	10%	9%	10%	9%	9%	10%	9%
Total	3,910	3,910	3,956	4,261	4,118	4,178	4,015	3,968	3,703	3,438

Source: Ohio Department of Education.

Elyria City School District
Average Number of Students per Teacher
Last Ten Fiscal Years

Fiscal Year	Elyria CSD Average	State Average
2003	14.19	16.50
2004	14.42	18.50
2005	14.13	18.50
2006	14.97	18.60
2007	15.45	19.60
2008	15.14	18.60
2009	14.49	N/A
2010	14.58	N/A
2011	13.20	N/A
2012	N/A	N/A

Source: Ohio Department of Education.

Information for 2012 not available

Elyria City School District
Attendance and Graduation Rates
Last Ten Fiscal Years

Fiscal Year	Elyria CSD Attendance Rate	State Average	Elyria CSD Graduation Rate	State Average
2003	94.20%	94.50%	82.10%	84.30%
2004	94.50%	94.50%	80.50%	85.90%
2005	94.60%	94.30%	84.40%	86.20%
2006	94.70%	94.10%	89.30%	86.10%
2007	94.30%	94.10%	91.50%	86.90%
2008	94.90%	94.20%	89.60%	84.60%
2009	94.30%	94.30%	89.60%	83.00%
2010	94.30%	94.30%	92.40%	84.30%
2011	94.30%	94.50%	N/A	N/A
2012	N/A	N/A	N/A	N/A

Source: Ohio Department of Education.

Information for 2012 not available from Ohio Department of Education