

Elyria City School District
Audited Financial Statements
Fiscal Year Ended June 30, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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To the Board of Education
Elyria City School District
Elyria, Ohio 44035

We have reviewed the independent auditor's report of the Elyria City School District, Lorain County, prepared by Hausser + Taylor LLP, for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

January 30, 2002

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Elyria City School District

Table of Contents

	<u>Page</u>
I. INTRODUCTORY SECTION	
Title	i
Table of Contents	ii
Letter of Transmittal	vii
List of Members of the Board of Education	xx
List of Management Team	xxi
Organization Chart	xxiii
Certificate of Achievement	xxiv
II. FINANCIAL SECTION	
Independent Auditor's Report	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types	4
Combined Statement of Revenues, Expenses and Changes in Retained Earnings and Fund Balances- Proprietary Fund Types and Non-Expendable Trust Fund	8
Combined Statement of Cash Flows - Proprietary Fund Types and Non-Expendable Trust Fund	9
Notes To General Purpose Financial Statements	10

Table of Contents

COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES

General Fund:	38
Special Revenue Funds:	39
Combining Balance Sheet - All Special Revenue Funds	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Special Revenue Funds	46
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)	
Public School Support Fund	51
Local Grants Fund	52
Venture Capital Fund	53
Athletics Fund	54
Auxiliary Services Fund	55
Teacher Development Fund	56
Educational Management Information Services Fund	57
Public School Preschool Fund	58
Disadvantaged Pupil Impact Aid Fund	59
Data Communications Fund	60
Instructional Material Subsidy Fund	61
Ohio Reads Grant Fund	62
Summer School Subsidy Fund	63
Family and Children First Fund	64
Alternative School Grant Fund	65
Extended Learning Opportunity Fund	66
ABLE Fund	67
Adult Basic Education Fund	68
Eisenhower Grant Fund	69
Title VI-B Special Education Fund	70
Title I Fund	71
Title VI Fund	72
Drug-Free School Grant Fund	73
Preschool Handicapped Grant Fund	74
Continuous Improvement Grant Fund	75
Other Federal Grants Fund	76

Table of Contents

Debt Service Fund	77
Capital Projects Funds:	78
Combining Balance Sheet - All Capital Projects Funds	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Capital Projects Funds	81
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - (Non-GAAP Basis)	
Permanent Improvement Fund	83
Building Fund	84
School Net Plus Fund	85
School Net Power-Up Fund	86
Enterprise Funds:	87
Combining Balance Sheet - All Enterprise Funds	88
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Enterprise Funds	89
Combining Statement of Cash Flows - All Enterprise Funds	90
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - (Non-GAAP Basis)	
Lunchroom/Cafeteria Fund	91
Uniform School Supplies Fund	92
Rotary Fund	93
Internal Service Funds:	94
Combining Balance Sheet - All Internal Service Funds	95
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Internal Service Funds	96
Combining Statement of Cash Flows - All Internal Service Funds	97
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - (Non-GAAP Basis) -	
Self Insurance Fund	98
Internal Service Rotary Fund	99

Table of Contents

Fiduciary Funds:	100
Combining Balance Sheet - All Trust and Agency Funds	101
Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Fund	102
Non-Expendable Trust Fund	103
Statement of Changes in Assets and Liabilities - Agency Fund	104
General Fixed Assets Account Group	105
Comparative Schedules of General Fixed Assets by Source	106
Schedule of General Fixed Assets - by Function	107
Schedule of Changes in General Fixed Assets - by Function and Activity	108

Table of Contents

III. STATISTICAL SECTION

Governmental Funds Revenues by Source and Expenditures by Function - Last Ten Years	S-1
Property Tax Levies and Collections - Last Ten Calendar Years	S-2
Assessed and Estimated Actual Value of Taxable Property - Last Ten Calendar Years	S-3
Property Tax Rates - Direct and Overlapping Governments - Last Ten Calendar Years	S-4
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita - Last Ten Fiscal Years	S-5
Computation of Legal Debt Margin	S-6
Computation of Direct and Overlapping Debt - General Obligation	S-7
Ratio of Annual Debt Service Expenditures to Total Governmental Expenditures - Last Ten Fiscal Years	S-8
Property Values, Construction and Bank Deposits - Last Ten Calendar Years	S-9
Principal Taxpayers- June 30, 2001	S-10
Demographic Statistics - Last Ten Fiscal Years	S-11
Miscellaneous Statistics - June 30, 2001	S-12
Teacher Education and Experience - June 30, 2001	S-13

SINGLE AUDIT SECTION

Federal Schedule of Expenditures of Federal Awards	1
Report of Independent Accountants on Compliance and On Internal Control Required by <i>Government Auditing Standards</i>	3
Report of Independent Accountants on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133	5
Schedule of Findings	7

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The Elyria Schools

TO ENSURE THAT EACH CHILD REACHES HIS OR HER FULL POTENTIAL

Working



Together

LEARNING FROM EACH OTHER

November 27, 2001

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, 2001 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 14 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The introductory section includes the table of contents, this transmittal letter, Board members and elected officials, the District's organizational chart and a list of its appointed officials.
- The financial section includes the general purpose financial statements, including notes to the financial statements and the combining, individual fund and account group financial statements and schedules which provide an overview of the District's financial position and operating results, as well as the independent accountants' report on the financial statements and schedules.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT

The Reporting Entity

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

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

The Board of Education and the Administration

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

The Superintendent of Schools (the "Superintendent"), appointed by the Board for a term not longer than five years, is the chief executive officer of the District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The current Superintendent, Dr. E. Jean Harper, has been Superintendent since March 1, 1998; her present contract expires July 31, 2004.

The Treasurer is the chief financial officer of the Board and the District and is, pursuant to statutory requirements, appointed by the Board for a four-year term (following a probationary two-year term) and reports directly to the Board. The present Treasurer, Stephen R. Huzicko, has been Treasurer since January 1, 1991; his present four-year contract continues until December 31, 2004.

The District and Its Facilities

The Elyria City School District is located in the city of Elyria in Lorain County, Ohio. In fiscal year 2000-2001, there were 8,521 students enrolled in the district compared to 8,552 students enrolled in the previous year. The District currently operates eleven (11) elementary schools, three (3) junior high schools, one high school, one alternative learning center, one special education pre-school and one K-12 severely behavioral handicapped school. The District maintains one administrative facility that houses an all-day every day kindergarten village of 330 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 FY01, the District employed 998 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2001, the District paid from its general fund (Disadvantaged Pupil Impact Aid (DPIA) included) \$35,617,615 in salaries and \$11,808,773 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, 2002. The collective bargaining agreement with the Elyria School Support Staff (ESSS) expires December 31, 2002.

The District provides comprehensive health insurance coverage to its employees through Medical Mutual Insurance Company. The District provides life insurance and accidental death and dismemberment insurance to eligible employees through Mutual of Omaha. Dental insurance is provided to eligible employees through Delta Dental of Ohio. 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 \$7,894,190 during the 2001 fiscal year.

ECONOMIC CONDITION AND OUTLOOK

Taxes

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

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

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

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

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

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

School Foundation

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

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

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funded parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 7, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and re-determine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

During the fiscal year ended June 30, 2001, the School District received \$23,566,813 of school foundation support for its general fund.

Local Economy

The Elyria area has a high percentage of its total work force employed in durable goods manufacturing, including automotive assembly, assembly of parts used in the transportation industry, tool and die-casting and metal fabricating. Manufacturing accounted for some 40-45% of the Elyria area's total work force employment during 2001. The unemployment rate, at the end of the fiscal year 2001, for the Elyria City Area was 4.6%.

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

MAJOR INITIATIVES

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

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

"To be an exceptional District...

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

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

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

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

- **Curriculum Initiatives.** The District made a substantial financial commitment to update its Science curriculum course of study (K-12). The Social Studies curriculum was updated in the fall of 2000. The Business curriculum at the High school received major purchases of technology and software. A Major initiative started last year at the middle schools to use technology through a Federal grant "Raising the Bar" has been expanded to the districts high school.
- **Classroom Technology.** The District uses fiber optics and a Wide Area Network (WAN) to all of its buildings to accommodate the use of administrative and instructional technology. The District's ratio of computers to

student continues to be one of the lowest in the county. Major acquisitions of computers were made this past year to supplement existing computers at the middle and high school level.

- The District was one of 58 school districts throughout the United States to receive a three-year federal grant to fund an elementary guidance counseling program and was one of eight to receive the maximum allocation of \$400,000 a year for three years.
- Provide email Internet access to all District employees.
- Facility Study. The District contracted with a architectural firm to conduct a comprehensive facilities study of all it's buildings in order to ascertain the extent of its infrastructure problems and provide the District with a basis for it's five year facility maintenance plan. As a result of the study, the District plans to replace its aging high school facility with a new \$64 million, state-of- the art facility.
- The District privatized the management of its Plant Operations and Maintenance functions. Improvements in the preventative maintenance and the work order process resulted from this effort. The district now out-sources the management of its Food Service and contracts for the transportation of its students.

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

- The District continues to develop its technology system to allow all teachers and students access the Internet. Teachers and Administrators will have immediate access to district information on students, budget and staff. The District is implementing a new student accounting and test reporting system and an electric grade card reporting system. A new Human Resource system is contemplated to be operational by the year 2002.
- The District will implement its master plan for facilities. With the completion of the facilities study, the District's Facility Maintenance Plan will be able to identify major tasks to be accomplished over the next five years. A major initiative for 2001 will be to secure funding for a new 2,400 pupil, state of the art high school to replace the District's aging facility.

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

- Institute a Debit Card program to facilitate small item purchases for all student activities, clubs and organizations and building budgets.
- Institute Laser technology in the check writing and purchase order process.
- Allow all operational units in the District to access operational unit budgets, generate their own financial reports, review vendor payment information and access their account information through the Districts web site.
- Use the District's web page as a source for Board of Education and Financial Services information on the district.

FINANCIAL INFORMATION

Pursuant to accounting procedures prescribed by the Ohio Revised Code (ORC), revenues and expenditures are recorded on a budgetary basis during the fiscal year. The accounting procedures prescribed by the ORC are generally applicable to all school districts in Ohio and differ from GAAP as promulgated by the Governmental Accounting Standards Board. GAAP requires a modified accrual basis of accounting for the general, special revenue, capital projects, debt service, expendable trust and agency funds and a full accrual basis of accounting expenses, and changes in fund balances or retained earnings for each remaining fund type to be presented in the financial statements on the applicable modified or full accrual basis of accounting.

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 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 Highlights

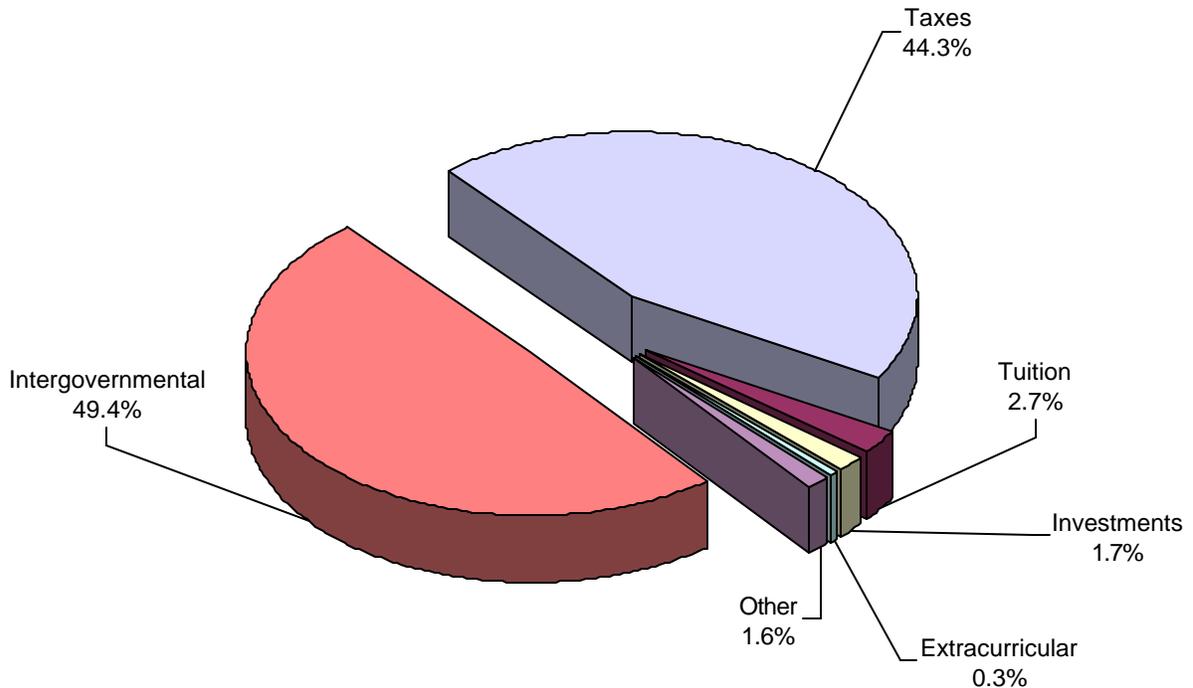
As illustrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

GOVERNMENTAL FUND REVENUES FY 2001

The following schedule presents a summary of the District's revenue for its governmental funds that include the District's general fund, special revenue funds, debt service fund, capital projects funds, and expendable trust fund revenues for the fiscal year ended June 30, 2001 and the percentage of the total revenue received.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FY00</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$31,252,267	44.31%	1,477,463	4.96%
Tuition	1,918,851	2.72%	1,146,979	148.60%
Investment Earnings	1,211,225	1.72%	392,795	47.99%
Extracurricular Activities	201,580	0.29%	30,599	17.90%
Other	1,139,690	1.62%	336,677	41.93%
Intergovernmental	34,808,208	49.34%	2,598,206	8.07%
Total	\$70,531,821	100.00%	\$5,982,719	

Governmental Revenues FY01



Local tax revenue of \$31,252,267 accounts for approximately half of the total revenue generated for the Governmental Funds for fiscal year 2001. Increases in the assessed taxable real estate property values and increases in the personal property tax collections accounts for the increased revenues. This proportion is slightly higher than the norm for Ohio's twenty-one large Urban School districts.

The largest component of Intergovernmental revenues is the State Foundation Program, which totaled \$26,120,047. This program allocates state dollars to the 612 Ohio school districts based on a basic aid formula which takes into account factors such as: (1) tax value of property in the district which indicates local ability to support the District's programs; (2) student enrollment; (3) a per pupil amount for state support; (4) allocations for various categorical programs such as transportation, gifted and talented programs and preschool units; and (5) a weighted average for special needs students enrolled in the districts. State revenues also include the State's allocation of revenues back to the District due to tax credits given residential property owners. In FY99, the State assumed the transfer of funds for tuition costs for special needs student from other districts that resulted in an increase of funds of approximately \$1.4 million. During FY00, the district actively sought and received funding for state grants that significantly increased revenue for Intergovernmental funds.

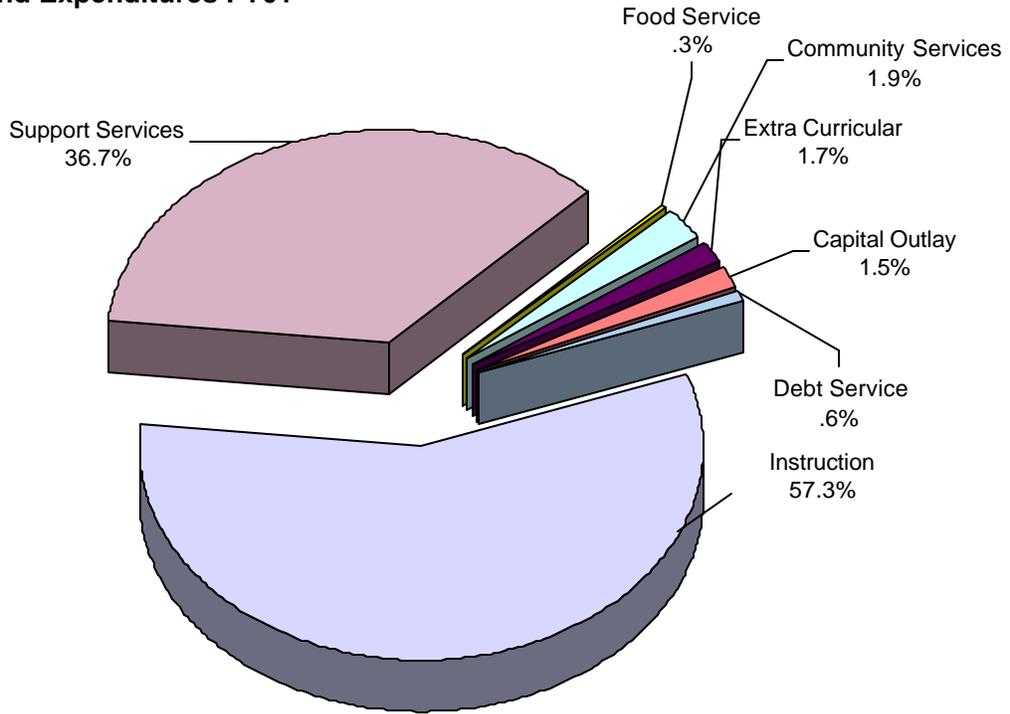
Tuition revenues of \$1,918,851 are the result of the District's comprehensive Special Education program for low incident children. Students from surrounding school districts attend the District's Special Education programs and their home school district reimburses program costs through the State Foundation Program or through the payment of excess cost on a tuition basis. The increase in tuition revenues from FY00 resulted from a delayed billing cycle as a result of a change at the State level in the way Special Education revenue is now received by the district.

GOVERNMENTAL FUND EXPENDITURES FY 2001

Governmental fund expenditures totaled \$66,315,198 and are summarized by major function as follows:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FY00</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$38,081,756	57.43%	\$1,316,784	3.58%
Support Services	24,305,701	36.65%	1,653,236	7.30%
Food Services	194,063	0.29%	(17,058)	(8.08)%
Community Services	1,274,466	1.92%	(240,989)	(15.90)%
Extracurricular Activities	1,115,505	1.68%	74,226	7.13%
Capital Outlay	962,386	1.45%	(139,656)	(12.67)%
Debt Service	381,321	0.58%	948	.25%
Total	\$66,315,198	100.00%	\$2,647,491	

Governmental Fund Expenditures FY01



- Instruction
- Support Services
- Food Service
- Community Services
- Extra Curricular
- Capital Outlay
- Debt Service

The largest expenditures in the District’s budget are in the instructional/pupil support services area. Approximately 94 cents of every dollar is spent on activities dealing directly with teaching pupils and support services to supplement the teaching process. Salaries of teachers, counselors, psychologist, nurses and paraprofessionals, as well as the cost of textbooks and instructional materials are examples of expenditures in these functional areas. In addition to the standard federal grants entitlements for Title I and Title VI-b, the District actively applied for and received numerous other state and federal grants. Examples include the Disadvantaged Pupils Program Fund, Urban Initiative Grants, School/Community Grants, Raising the Bar, Program Initiative Grants and the Drug Free Schools Grant. General salary increases coupled with a training and experience increase and monies available through federal and state grants contributed to the increase in expenditures. In FY01, the District increased its contributions to health care benefit costs for staff after experiencing less than inflationary costs and changes in programs during FY00.

Community Services expenditures reflect activities associated with payment of services to Elyria City for providing crossing guards and District employed lunchroom monitors.

Capital outlay expenditures have been minimal in the past due to limited resources. Expenditures in FY01 reflect the district’s purchase of technology for the instructional program and upkeep of its facilities.

Debt service expenditures represent the payment of interest and principal on long-term debt that are reported in the District's General Long Term Account Group.

Significant activity in the major funds of each major **Governmental Fund Type** is highlighted below.

General Fund

The District completed the fiscal year ended June 30, 2001 with a cash fund balance of \$5,818,129. The increase in fund balance, over 2000's \$1,084,289, resulted from increases in revenue from real estate and personal property taxes, increased state funding and a one-time revenue increase as a result of billing excess cost for special education students to other districts. Also, expenditures for materials and supplies were less than appropriated.

Special Revenue Funds

Special revenue funds are funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes.

Capital Projects Funds

The capital projects funds are used to account for the purchase of equipment and the financing of major improvement projects and for SchoolNet. The District's replacement fund capital projects fund has a fund balance at year-end of \$2,716,276.

Debt Service Fund

The debt service fund accounts for the servicing of general long-term debt.

- Debt Administration

The district has outstanding bond indebtedness of \$1,660,000 as a result of the construction of a community library building in 1995, financed through the sale of District Bonds

Proprietary Operations

Significant activity in the funds of each proprietary fund type is highlighted below

- Enterprise Funds

The District's enterprise funds are the food service fund, the uniform school supplies fund and rotary fund. These operations combined for a net income of \$35,183. Of this amount, the funds contributed as follows: food service \$11,373, uniform school supplies \$24,567 and rotary fund \$(757).

- Internal Service Funds

The District's internal service funds are the self-funded insurance program and the internal services rotary.

Fiduciary Funds

Significant activity in the funds of each fiduciary fund type is highlighted below

- **Trust and Agency Funds**

The trust funds are carried on the financial records of the School District and are related to the student body and student scholarship funds. The School District's agency funds function as fiscal agent for student's funds, representing a variety of student groups.

Cash Management

The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) Investment Pool, United States Government bills and notes, certificates of deposit, mutual funds, and in repurchase agreements. The amount of investment income in fiscal year 2001 for all District funds was \$1,211,225. A more detailed description of the District's investment functions is described in Note 3 to the financial statements.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2001, the District contracted with Nationwide/Wausau Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate. Buildings and contents are covered under a Commercial Property Comprehensive Building Insurance policy with a \$1,000 deductible.

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

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

USE OF REPORT

This report is published to provide the Board of Education, the citizens of the Elyria School District and other interested persons, detailed information concerning the financial condition of the District, with the particular emphasis placed on the utilization of resources during Fiscal Year 2001. Further, this report will serve as a guide to formulating policies and conducting the District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

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

OTHER INFORMATION

Independent Audit: State statutes require an annual audit by independent accountants. Either the Ohio State Auditor's office or an Independent Public Accountant (IPA) contracted by the State and the District may conduct the annual audit. The District requested and received permission from the State to contract with an (IPA) for completion of the annual audit for a five-year period. For the fiscal year ended June 30, 2001, American Express, Hausser and Taylor, LLP completed the audit. The auditor's unqualified audit opinion on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

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, 2000. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

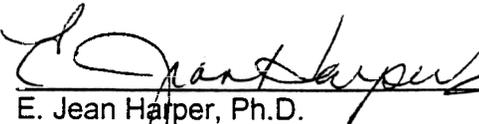
NOTES TO THE COMBINED FINANCIAL STATEMENTS

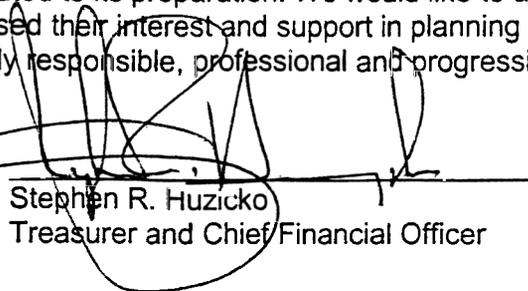
The notes to the combined financial statements, which follow the combined financial statements, contain additional information and are an integral part of such statements

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Steve Huzicko, Treasurer. We are also grateful for the services of Bob Gerber of American Express Tax and Business Services, for his consulting assistance in preparing this report. We truly appreciate the contributions made by each staff member in the preparation of this report.

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


E. Jean Harper, Ph.D.
Superintendent


Stephen R. Huzicko
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:

	Began Service as a Board Member	Present Term Expires
Evelyn France, President	April 23, 1996	December 31, 2001
Gary Bennett, Vice President	January 1, 1986	December 31, 2003
Holly Brinda, Member	January 1, 2000	December 31, 2003
Kenneth Mundorf, Member	January 1, 1998	December 31, 2001
Donald Boddy, Member	July 28, 1998	December 31, 2003

Superintendent of Schools

The Superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisory to the Board on all aspects of the educational program and total operation of the District. The Board appointed Dr. E. Jean Harper, Superintendent of the Elyria City School District effective March 1, 1998. Her term of office expires on July 31, 2004.

Treasurer

The treasurer serves as the fiscal officer of the District and, with the board president, executes all conveyances made by the Board of Education. The Treasurer, Stephen R. Huzicko, has held the position since January 1, 1991. His term expires on December 31, 2004.

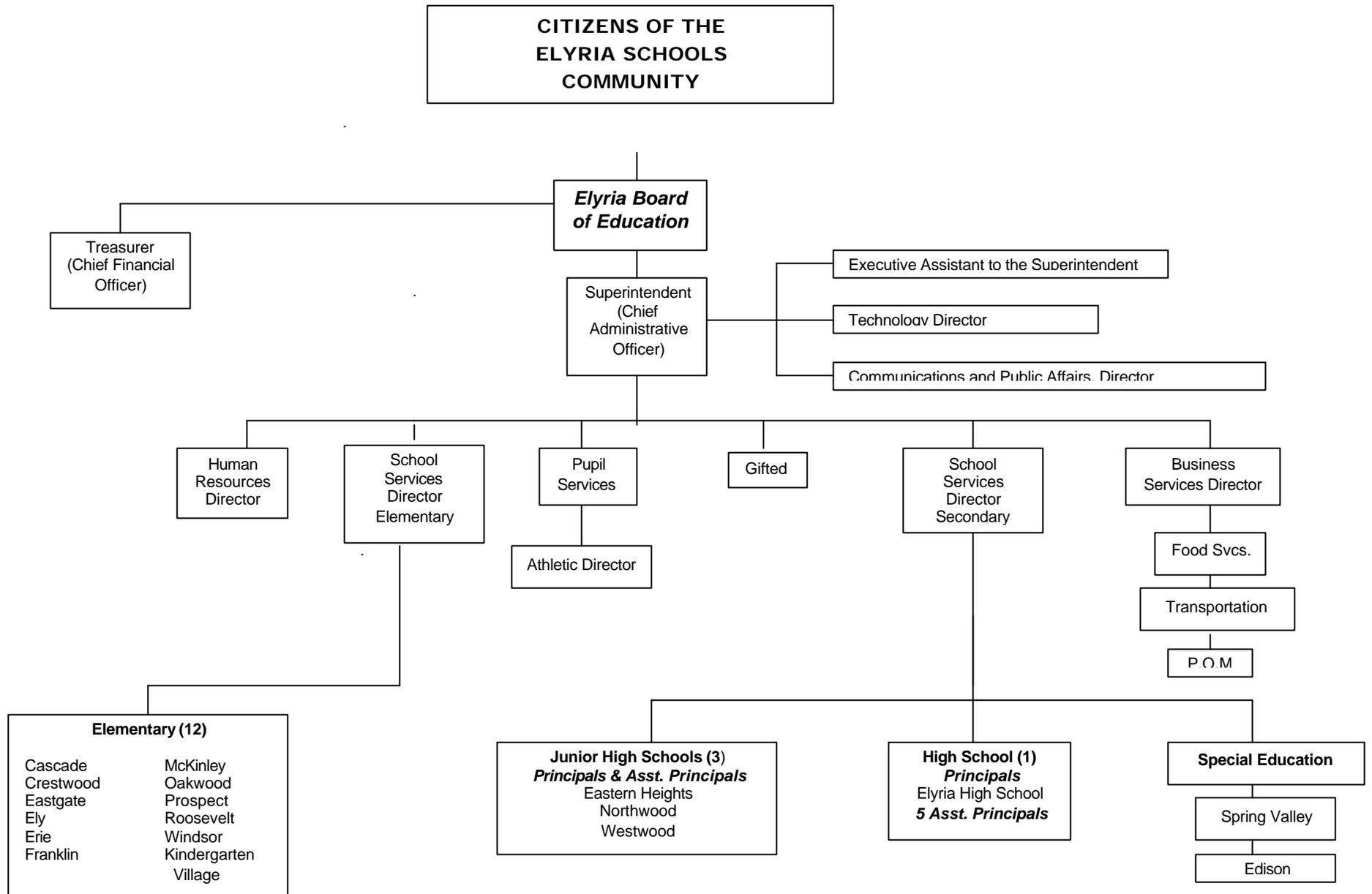
ELYRIA CITY SCHOOL DISTRICT, OHIO

Management Team

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

Brenda Harris	Ely Elementary Principal
Thurman Sampson	Erie Elementary Principal
Chip Hall	McKinley Elementary Principal
Elsa Manco	Franklin Elementary Principal
Joyce Bouman	Oakwood Elementary Principal
Michael Amann	Prospect Elementary Principal
Norris Kelly	Roosevelt Elementary Principal
Michael Routa	Windsor Elementary Principal
Robyn Fisher	Spring Valley (Early Childhood Center)
Rita Tomsic	Kindergarten Village Principal
Carl Bosworth	Edison School Principal (Special Education)
Donna Gilcher	Hilltop Academy (Alternative School)

ORGANIZATIONAL CHART FOR THE ELYRIA CITY SCHOOL DISTRICT



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Elyria City Schools,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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.



Anne Spray Kinsey
President

Jeffrey L. Esler
Executive Director

Elyria City Schools

Lorain County, Ohio

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**Comprehensive Annual Financial Report
For the Year Ended June 30, 2001**

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Introductory Section

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GENERAL PURPOSE FINANCIAL STATEMENTS

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Business advisors and certified public accountants

Independent Auditor's Report

1400 North Point Tower • 1001 Lakeside Avenue • Cleveland, Ohio 44114-1152 216/523-1905 • FAX: 216/522-1490 • www.hausser.com

To the Board of Education
Elyria City School District
Elyria, Ohio 44035

We have audited the accompanying general purpose financial statements of the Elyria City School District (the District) as of and for the year ended June 30, 2001, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Elyria City School District, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2001, on our consideration of the District's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Elyria City School District taken as a whole. The accompanying schedule of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information sections, as listed in the table of contents, and therefore express no opinion on them.

Canton, Ohio
November 1, 2001

Hausser + Taylor LLP



Cleveland

Beachwood

Canton

Columbus

Elyria

Elyria City School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2001
 (With Comparative Totals at June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets				
Cash and Cash Equivalents	\$7,909,220	\$3,342,314	\$601,691	\$2,763,611
Cash and Cash Equivalents- Nonexpendable Trust Fund	0	0	0	0
Receivables:				
Taxes	31,588,956	0	418,330	0
Accounts	0	0	0	0
Interfund	0	0	0	0
Accrued Interest	31,728	0	0	35,778
Intergovernmental	0	12,190	0	0
Due From Other Funds	0	0	0	0
Inventory	15,000	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Fixed Assets (Net of Accumulated Depreciation In Enterprise Funds)	0	0	0	0
Other Debits:				
Amount Available - Debt Service	0	0	0	0
Amount to be Provided - Benefits	0	0	0	0
Amount to be Provided - Capital Leases	0	0	0	0
Amount to be Provided - General Long-Term Debt	0	0	0	0
Total Assets	<u>\$39,544,904</u>	<u>\$3,354,504</u>	<u>\$1,020,021</u>	<u>\$2,799,389</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts and Contracts Payable	\$809,485	\$288,582	\$0	\$47,335
Accrued Wages and Benefits	4,463,388	477,024	0	0
Intergovernmental Payable	592,138	4,841	0	0
Claims Payable	0	0	0	0
Deferred Revenue	27,268,519	12,190	355,721	35,778
Interfund Payables	0	0	0	0
Due to Other Funds	593,245	54,828	0	0
Due to Students	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	<u>33,726,775</u>	<u>837,465</u>	<u>355,721</u>	<u>83,113</u>
Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	562,363	664,120	0	167,533
Reserved for Inventory	15,000	0	0	0
Reserved for Debt Service	0	0	601,691	0
Reserved for Property Tax Advance	4,352,165	0	62,609	0
Reserved for Endowments	0	0	0	0
Reserved for Budget Stabilization	0	0	0	0
Unreserved, Undesignated	888,601	1,852,919	0	2,548,743
Total Fund Equity	<u>5,818,129</u>	<u>2,517,039</u>	<u>664,300</u>	<u>2,716,276</u>
Total Liabilities, Equity and Other Credits	<u>\$39,544,904</u>	<u>\$3,354,504</u>	<u>\$1,020,021</u>	<u>\$2,799,389</u>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2001	2000
\$435,249	\$4,790,954	\$560,728	\$0	\$0	\$20,403,767	\$15,066,958
0	0	7,810	0	0	7,810	9,062
0	0	0	0	0	32,007,286	30,932,042
4,000	6,043	0	0	0	10,043	31,235
0	0	0	0	0	0	4,082
0	71,394	0	0	0	138,900	183,240
179,762	0	0	0	0	191,952	1,254,754
0	648,073	0	0	0	648,073	681,107
54,349	0	0	0	0	69,349	49,754
0	0	0	0	0	0	342,943
155,054	0	0	52,476,872	0	52,631,926	49,493,412
0	0	0	0	601,691	601,691	576,148
0	0	0	0	4,850,883	4,850,883	4,511,991
0	0	0	0	57,741	57,741	134,379
0	0	0	0	1,058,309	1,058,309	1,358,852
\$828,414	\$5,516,464	\$568,538	\$52,476,872	\$6,568,624	\$112,677,730	\$104,629,959
\$26,069	\$0	\$0	\$0	\$0	\$1,171,471	\$1,541,403
121,994	0	0	0	3,872,327	8,934,733	8,628,068
54,270	0	0	0	978,556	1,629,805	1,330,283
0	677,444	0	0	0	677,444	681,669
38,301	648,073	0	0	0	28,358,582	27,687,279
0	0	0	0	0	0	4,082
0	0	0	0	0	648,073	681,107
0	0	317,318	0	0	317,318	297,397
0	0	0	0	57,741	57,741	134,379
0	0	0	0	1,660,000	1,660,000	1,935,000
240,634	1,325,517	317,318	0	6,568,624	43,455,167	42,920,667
0	0	0	52,476,872	0	52,476,872	49,348,777
587,780	4,190,947	0	0	0	4,778,727	4,644,338
0	0	10,022	0	0	1,404,038	938,029
0	0	0	0	0	15,000	15,000
0	0	0	0	0	601,691	576,148
0	0	0	0	0	4,414,774	4,428,261
0	0	5,500	0	0	5,500	5,500
0	0	0	0	0	0	342,943
0	0	235,698	0	0	5,525,961	1,410,296
587,780	4,190,947	251,220	52,476,872	0	69,222,563	61,709,292
\$828,414	\$5,516,464	\$568,538	\$52,476,872	\$6,568,624	\$112,677,730	\$104,629,959

Elyria City School District
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
 For the Fiscal Year Ended June 30, 2001
 (With Comparative Totals at June 30, 2000)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes	\$30,879,212	\$0	\$373,055	\$0
Tuition	1,918,851	0	0	0
Earnings on Investments	569,518	9,944	0	631,231
Extracurricular Activities	0	201,580	0	0
Intergovernmental	26,396,533	8,069,543	38,046	304,086
Other	609,412	263,099	0	125,492
Total Revenues	60,373,526	8,544,166	411,101	1,060,809
Expenditures				
Current:				
Regular and Special Instruction	31,731,938	4,116,016	0	203,992
Vocational and Other Instruction	1,913,020	104,399	0	0
Support Services:				
Pupil Services	3,338,258	1,018,045	0	0
Instructional Staff	2,569,918	1,388,949	0	0
Administration	3,912,762	420,662	0	0
Business and Fiscal Services	1,873,089	43,662	5,980	0
Plant Operation and Maintenance	6,109,494	25,877	0	0
Pupil Transportation	2,295,517	812	0	0
Central	856,945	132,358	0	277,438
Food Services	194,063	0	0	0
Community Services	159,220	1,111,996	0	0
Extracurricular	720,923	394,582	0	0
Capital Outlay	0	0	0	962,386
Debt Service:				
Principal	0	0	275,000	0
Interest and Fiscal Charges	0	0	106,321	0
Total Expenditures	55,675,147	8,757,358	387,301	1,443,816
Excess Revenues Over (Under) Expenditures	4,698,379	(213,192)	23,800	(383,007)
Other Financing Sources (Uses)				
Sale of Assets	35,416	0	0	0
Operating Transfers-In	45	0	0	0
Operating Transfers-Out	0	0	0	0
Total Other Financing Sources (Uses)	35,461	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,733,840	(213,192)	23,800	(383,007)
Fund Balances Beginning of Year	1,084,289	2,730,231	640,500	3,099,283
Fund Balances End of Year	\$5,818,129	\$2,517,039	\$664,300	\$2,716,276

The accompanying notes are an integral part of these financial statements.

Fiduciary Fund Type	Totals	
	(Memorandum Only)	
	2001	2000
Expendable Trust		
\$0	\$31,252,267	\$29,774,804
0	1,918,851	771,872
532	1,211,225	818,430
0	201,580	170,981
0	34,808,208	32,210,002
141,687	1,139,690	803,013
142,219	70,531,821	64,549,102
12,391	36,064,337	35,242,418
0	2,017,419	1,522,554
0	4,356,303	3,722,606
35,901	3,994,768	3,456,645
0	4,333,424	4,016,727
0	1,922,731	1,722,504
0	6,135,371	6,171,592
0	2,296,329	2,126,496
34	1,266,775	1,435,895
0	194,063	211,121
3,250	1,274,466	1,515,455
0	1,115,505	1,041,279
0	962,386	1,102,042
0	275,000	260,000
0	106,321	120,373
51,576	66,315,198	63,667,707
90,643	4,216,623	881,395
0	35,416	423,362
43	88	109,856
(88)	(88)	(109,856)
(45)	35,416	423,362
90,598	4,252,039	1,304,757
152,812	7,707,115	6,402,358
\$243,410	\$11,959,154	\$7,707,115

Elyria City School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)
 All Governmental Fund Types
General Fund
 For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Encumbrances	Actual Plus Encumbrances	Variance
Revenues					
Taxes	\$30,531,070	\$30,890,956		\$30,890,956	\$359,886
Tuition	2,204,904	2,255,481		2,255,481	50,577
Earnings on Investments	569,519	569,519		569,519	0
Intergovernmental	26,196,030	26,399,033		26,399,033	203,003
Other	738,431	788,481		788,481	50,050
Total Revenues	60,239,954	60,903,470		60,903,470	663,516
Expenditures					
Current:					
Regular Instruction	28,693,270	26,160,220	\$558,012	26,718,232	1,975,038
Special Instruction	6,004,925	5,882,925	120,002	6,002,927	1,998
Vocational, Adult and Other Instruction	1,985,261	1,894,261	80,185	1,974,446	10,815
Supporting Services:					
Pupil Services	3,341,887	3,332,387	7,850	3,340,237	1,650
Instructional Staff	2,575,815	2,569,815	5,555	2,575,370	445
Administration	3,918,740	3,888,740	29,800	3,918,540	200
Business and Fiscal Services	1,877,481	1,872,481	100	1,872,581	4,900
Plant Operation and Maintenance	6,140,026	6,130,026	9,000	6,139,026	1,000
Pupil Transportation	1,816,373	1,813,873	2,400	1,816,273	100
Central	865,380	865,380	0	865,380	0
Food Services	193,280	193,280	0	193,280	0
Community Services	198,831	198,831	0	198,831	0
Extracurricular	733,730	723,730	8,500	732,230	1,500
Total Expenditures	58,345,000	55,525,950	821,404	56,347,354	1,997,646
Excess of Revenues Over (Under) Expenditures	1,894,954	5,377,520	(\$821,404)	4,556,116	2,661,162
Other Financing Sources					
Operating Transfers in	45	45	0	45	0
Advances In	4,420	4,420	0	4,420	0
Sale of Assets	35,416	35,416	0	35,416	0
Total Other Financing Sources	39,881	39,881	0	39,881	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,934,835	5,417,401	(\$821,404)	\$4,595,997	\$2,661,162
Fund Balances Beginning of Year	2,491,819	2,491,819			
Fund Balances End of Year	\$4,426,654	\$7,909,220			

The accompanying notes are an integral part of these financial statements.

Elyria City School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)
 All Governmental Fund Types - continued
Special Revenue Funds
 For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Encumbrances	Actual Plus Encumbrances	Variance
Revenues					
Earnings on Investments	\$8,382	\$8,382		\$8,382	\$0
Extracurricular Activities	195,736	203,142		203,142	7,406
Intergovernmental	8,202,973	8,280,320		8,280,320	77,347
Other	210,857	263,100		263,100	52,243
Total Revenues	8,617,948	8,754,944		8,754,944	136,996
Expenditures					
Current:					
Regular Instruction	2,616,125	1,815,174	\$259,419	2,074,593	541,532
Special Instruction	3,188,046	2,296,105	336,294	2,632,399	555,647
Vocational, Adult/Other Instruction	109,263	101,229	8,034	109,263	0
Support Services:					
Pupil Services	958,177	906,369	22,519	928,888	29,289
Instructional Staff	1,428,800	1,425,840	2,951	1,428,791	9
Administration	420,639	420,639	0	420,639	0
Business and Fiscal	131,168	71,539	3,603	75,142	56,026
Pupil Transportation	812	812	0	812	0
Central	133,788	132,358	1,430	133,788	0
Community Services	1,461,155	1,154,907	305,755	1,460,662	493
Extracurricular	395,778	394,582	1,196	395,778	0
Total Expenditures	10,843,751	8,719,554	941,201	9,660,755	1,182,996
Excess of Revenues Over (Under) Expenditures	(2,225,803)	35,390	(941,201)	(905,811)	1,319,992
Other Financing Sources (Uses)					
Operating Transfers In	261,053	302,520	0	302,520	41,467
Operating Transfers Out	(351,829)	(302,520)	0	(302,520)	49,309
Advances Out	(4,420)	(4,420)	0	(4,420)	0
Other Financing (Uses)	(95,196)	(4,420)	0	(4,420)	90,776
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,320,999)	30,970	(\$941,201)	(\$910,231)	\$1,410,768
Fund Balances Beginning of Year	3,311,344	3,311,344			
Fund Balances End of Year	\$990,345	\$3,342,314			

The accompanying notes are an integral part of these financial statements.

Elyria City School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
 All Governmental Fund Types - continued
Debt Service Fund
 For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Taxes	\$364,454	\$374,798		\$374,798	\$10,344
Intergovernmental	37,956	38,046		38,046	90
Total Revenues	402,410	412,844		412,844	10,434
Expenditures					
Current:					
Support Services:					
Business and Fiscal Services	6,204	5,980		5,980	224
Debt Service:					
Principal	275,000	275,000		275,000	0
Interest and Fiscal Charges	106,321	106,321	\$0	106,321	0
Total Expenditures	387,525	387,301	0	387,301	224
Excess of Revenues Over (Under) Expenditures	14,885	25,543	\$0	\$25,543	\$10,658
Fund Balance Beginning of Year	576,148	576,148			
Fund Balance End of Year	\$591,033	\$601,691			

The accompanying notes are an integral part of these financial statements.

Elyria City School District
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Non-GAAP Basis)
 All Governmental Fund Types - continued
Capital Projects Funds
 For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$306,000	\$304,086		\$304,086	(\$1,914)
Earnings on Investments	884,482	642,222		642,222	(242,260)
Total Revenues	1,190,482	946,308		946,308	(244,174)
Expenditures					
Current:					
Regular Instruction	204,000	203,992		203,992	8
Support Services:					
Central	432,800	259,225	\$172,733	431,958	842
Capital Outlay	1,487,262	1,175,642	40,484	1,216,126	271,136
Total Expenditures	2,124,062	1,638,859	213,217	1,852,076	271,986
Excess of Revenues Over (Under) Expenditures	(933,580)	(692,551)	(\$213,217)	(\$905,768)	\$27,812
Fund Balances Beginning of Year	3,456,162	3,456,162			
Fund Balances End of Year	\$2,522,582	\$2,763,611			

The accompanying notes are an integral part of these financial statements.

Elyria City School District
 Combined Statement of Revenues, Expenses
 and Changes in Retained Earnings and Fund Balances
Proprietary Fund Types and Non-Expendable Trust Fund
 For the Year Ended June 30, 2001
 (With Comparative Totals at June 30, 2000)

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)	
				2001	2000
Operating Revenues					
Food Services	\$955,611	\$0	\$0	\$955,611	\$961,954
Classroom Materials and Fees	256,266	0	0	256,266	434,760
Charges for Services	0	4,646,822	0	4,646,822	4,902,659
Other	5,140	27,060	0	32,200	35,520
Total Operating Revenues	1,217,017	4,673,882	0	5,890,899	6,334,893
Operating Expenses					
Salaries and Wages	759,410	1,010	0	760,420	707,778
Employees' Retirement and Insurance	263,331	0	0	263,331	183,423
Purchased Services	1,166,042	714,916	0	1,880,958	1,942,023
Claims	0	4,180,931	0	4,180,931	3,613,079
Supplies and Materials	402,928	2,156	0	405,084	424,157
Depreciation	3,828	0	0	3,828	11,371
Other	0	15,632	1,500	17,132	13,247
Total Operating Expenses	2,595,539	4,914,645	1,500	7,511,684	6,895,078
Operating Income (Loss)	(1,378,522)	(240,763)	(1,500)	(1,620,785)	(560,185)
Non-Operating Revenues					
Intergovernmental	1,304,551	0	0	1,304,551	1,066,816
Earnings on Investments	0	339,969	248	340,217	291,702
Donated Commodities	109,154	0	0	109,154	125,557
Total Non-Operating Revenues	1,413,705	339,969	248	1,753,922	1,484,075
Net Income (Loss)	35,183	99,206	(1,252)	133,137	923,890
Retained Earnings/Fund Balances					
Beginning of Year	552,597	4,091,741	9,062	4,653,400	3,729,510
Retained Earnings/Fund Balances End of Year	\$587,780	\$4,190,947	\$7,810	\$4,786,537	\$4,653,400

The accompanying notes are an integral part of these financial statements.

Elyria City School District
 Combined Statement of Cash Flows
Proprietary Fund Types and Non-Expendable Trust Fund
 For the Year Ended June 30, 2001
 (With Comparative Totals at June 30, 2000)

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)	
				2001	2000
Cash Flows From Operating Activities:					
Operating (Loss)	(\$1,378,522)	(\$240,763)	(\$1,500)	(\$1,620,785)	(\$560,185)
Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By (Used In) Operating Activities:					
Depreciation	3,828	0	0	3,828	11,371
(Increase) Decrease In Assets:					
Accounts Receivable	505	(6,043)	0	(5,538)	(4,505)
Intergovernmental Receivable	5,574	0	0	5,574	9,525
Interest Receivable	0	(22,194)	0	(22,194)	(49,200)
Due From Other Funds	0	33,034	0	33,034	(89,292)
Inventories	(19,595)	0	0	(19,595)	1,572
Increase (Decrease) In Liabilities:					
Accounts and Contracts Payable	(44,330)	(833)	0	(45,163)	43,792
Accrued Wages and Benefits	(10,907)	0	0	(10,907)	(47,582)
Intergovernmental Payable	54,270	0	0	54,270	0
Claims Payable	0	(4,225)	0	(4,225)	(32,043)
Deferred Revenue	16,617	(33,034)	0	(16,417)	87,951
Total Adjustments	5,962	(33,295)	0	(27,333)	(68,411)
Net Cash (Used In) Operating Activities	(1,372,560)	(274,058)	(1,500)	(1,648,118)	(628,596)
Cash Flows From Non-Capital Financing Activities:					
Intergovernmental	1,304,551	0	0	1,304,551	1,066,816
Donated Commodities	109,154	0	0	109,154	125,557
Cash Flows From Capital and Related Financing Activities:					
Purchased Fixed Assets	(14,247)	0	0	(14,247)	(11,011)
Sold Fixed Assets	0	0	0	0	766
Cash Flows From Investing Activities:					
Earnings on Investments	0	339,969	248	340,217	291,702
Net Increase (Decrease) in Cash and Cash Equivalents	26,898	65,911	(1,252)	91,557	845,234
Cash and Cash Equivalents, Beginning of Year	408,351	4,725,043	9,062	5,142,456	4,297,222
Cash and Cash Equivalents, End of Year	\$435,249	\$4,790,954	\$7,810	\$5,234,013	\$5,142,456

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies

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

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

The District is involved with Lake Erie Educational Computer Association (LEECA) and Lake Erie Regional Council (LERC), which are defined as jointly governed organizations. Additional information concerning the jointly governed organizations is presented in Note 4.

Management believes the general purpose financial statements included in the report represent all of the funds of the District over which the District has the ability to exercise direct operation control.

Measurement Focus, Basis of Accounting and Basis of Presentation: The accounts of the government are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The government has the following fund types and account groups:

Governmental funds are used to account for the District's general government activities.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies - continued

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, if any, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property tax revenues, intergovernmental revenues, interest revenues, and classroom materials and fees are susceptible to accrual.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The debt service fund accounts for the servicing of general long-term debt.

The capital projects funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies - continued

Proprietary funds include the following fund types:

The enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The internal service funds account for operations that provide services to other departments or agencies of the District on a cost-reimbursement basis.

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

Fiduciary funds include the following fund types:

The expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

The non-expendable trust fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Non-expendable trust funds account for assets of which the principal may not be spent.

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

Account groups. The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of a fund.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies - continued

Assets, Liabilities and Equity

Cash and Cash Equivalents:

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition which are valued at cost.

Investment procedures are restricted by provisions of the Ohio Revised Code. Purchased investments are valued at cost or fair value at the quoted market price.

Receivables:

Receivables are reflected at their gross value reduced by the estimated amount that is expected to be uncollectible. Property taxes are levied and assessed on a calendar year basis. Property taxes include amounts levied against real, public utility, and tangible personal property located in the District.

Short-term outstanding loans between funds are presented in these accompanying financial statements as interfund receivables and interfund payables. Due to/due from other funds account for goods or services provided by one fund for another fund.

Restricted Assets:

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve, textbook/instruction materials reserve, and capital maintenance reserve. These reserves are required by State statute. The capital maintenance reserve and textbook/instruction materials reserve can only be used for capital outlay expenditure and instructional materials and equipment, respectively. During fiscal year 2001, the District eliminated the budget stabilization reserve and related restricted cash account as allowed by Senate Bill No. 345.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies - continued

Interfund Assets and Liabilities:

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Short-term interfund loans are classified as “interfund receivables” and “interfund payables.”

Amounts owed to a particular fund by another fund in the District for goods or services rendered are classified as “due from other funds” and “due to other funds.”

Inventories :

Inventories are valued at cost or market using the first in/first out method. The costs of governmental fund type inventories are recorded as expenditures when purchased. Governmental fund type inventories, on hand at year end, are offset by a fund balance reserve which indicates they do not constitute available spendable resources even though they are a component of assets. Proprietary fund type inventory costs are charged to operations when consumed.

Fixed Assets and Depreciation:

Property, plant, and equipment items are stated on the basis of cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair market value at the date of donation. Infrastructure including driveways, sidewalks, parking lots, lighting systems, drainage systems, and landscaping are not capitalized. Assets costing less than six hundred dollars (\$600) are not capitalized except textbooks and library books which are capitalized without consideration of threshold. The cost of normal maintenance and repairs is charged to operations as incurred. Assets in the general fixed assets account group are not depreciated. Proprietary fund assets are depreciated using the straight-line method over estimated useful lives ranging from ten to twenty years.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies – continued

Compensated Absences:

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the 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 vesting method. An accrual for sick leave is made to the extent that it is probable that benefits will result in termination payments.

In the governmental and expendable trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in the general long-term debt account group.

In the proprietary funds, compensated absences are recorded as an expense and a liability of the fund that will pay for them.

Accrued Liabilities and Long-Term Obligations:

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term debt account group to the extent that they will not be paid with current available expendable financial resources. Capital leases are reported as a liability of the general long-term debt account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Fund Balance Reserves:

The District records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available spendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventory, property taxes and budget stabilization. The reserve for

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies – continued

property taxes represents accrued tax revenue not available for appropriation according to Ohio law.

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2001, the reserve activity was as follows:

	Textbook and Instructional Material Reserve	Capital Improvement and Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 7/1/00	\$ 0	\$ 0	\$ 342,943	\$ 342,943
Required Set-Aside	1,144,854	1,144,854	0	2,289,708
Offset Credits	0	0	0	0
Qualifying Expenditures	(1,144,854)	(1,144,854)	0	(2,289,708)
Senate Bill No. 345	<u>0</u>	<u>0</u>	(342,943)	<u>(342,943)</u>
Balance 6/30/01	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

Expenditures for capital activity during the year exceeded \$2,289,708, which meets the required set-aside and the reserve balance. Senate Bill No. 345 eliminated the requirement for the District to maintain a budget stabilization reserve.

Intergovernmental Revenues:

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

Estimates:

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

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 1: Summary of Significant Accounting Policies – continued

Actual results could differ from those estimates.

New Accounting Pronouncements:

In December of 1998, Governmental Accounting Standards Board Statement No. 33 (GASBS 33), *Accounting and Financial Reporting for Nonexchange Transactions*, and in June of 1999 GASBS 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, were issued. GASBS 33 establishes accounting and financial reporting standards for nonexchange transactions including financial or capital resources and was adopted by the District for the fiscal year ended June 30, 2001. GASBS 34 establishes financial reporting standards for state and local governments and is effective, in three phases based on a government's total annual revenues, beginning with periods beginning after June 15, 2001 and continuing through periods beginning after June 15, 2003. Management is currently evaluating the overall presentation required by GASBS 34 and believes the effect will be material.

Reclassifications:

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

Note 2: Stewardship, Compliance and Accountability

The Board of Education is required, by Ohio Revised Code, to adopt an annual budget for all funds, other than agency.

Budget: A budget of estimated cash receipts and disbursements is adopted by January 15 and submitted to the county auditor, as secretary of the County Budget Commission, by January 20 of each year for the ensuing July 1 to June 30 fiscal year.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 2: Stewardship, Compliance and Accountability - continued

Estimated Resources: The County Budget Commission certifies its actions to the District. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to fiscal year end, the District must revise its budget so that the total contemplated expenditures from a fund during the year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts, as shown in the accompanying "Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types and Expendable Trust Fund", do not include July 1, 2000 encumbered fund balances. However, those fund balances are available for appropriations. The amounts reported in the budgetary statements reflect the final budget figures.

Appropriations: Appropriations may be defined as expenditure authorization and are synonymous with budget within the Budget and Actual presentations. A temporary appropriation measure to control the cash disbursements may be passed prior to passage of the annual appropriation measure. An annual appropriation measure must be passed for the current fiscal year. The appropriation measure may be amended or supplemented during the year as new information becomes available.

The appropriated budget is prepared at the individual fund, which is the legal level of control.

Management has Board of Education approval to amend at the function and object level. Several amendments and supplements were enacted during the fiscal year. The amounts reported in the budgetary statements reflect final amended appropriations. Appropriations may not exceed estimated resources, and expenditures plus encumbrances may not exceed appropriations at the fund level.

Encumbrances: The District is required, by Ohio law, to use the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. Encumbrances at year end have been presented as reserves of fund balances.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 2: Stewardship, Compliance and Accountability

Budgetary Basis of Accounting: The District's budgetary process is based upon accounting for transactions on the budget basis. The difference between budget basis and the accrual and modified accrual (GAAP) basis is that revenues are recorded when received in budget as opposed to when susceptible to accrual (GAAP) and expenditures are recorded when paid or encumbered (budget) as opposed to when incurred (GAAP). Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

**Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
Governmental Fund Types**

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$ 4,733,840	\$ (213,192)	\$ 23,800	\$ (383,007)
Net Adjustments for Revenue Accruals	534,364	210,778	1,743	(114,501)
Net Adjustments for Expenditure Accruals	149,197	33,384	0	(195,043)
Net Adjustments for Encumbrances	<u>(821,404)</u>	<u>(941,201)</u>	<u>0</u>	<u>(213,217)</u>
Budget Basis	\$ (4,595,997)	\$ (910,231)	\$ 25,543	\$ (905,768)

Fund Deficit:

At June 30, 2001, the disadvantaged pupil impact aid fund, special revenue fund type, had a deficit fund balance of \$203,441. The deficit was caused by the application of accounting procedures generally accepted in the United States of America. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 3: Deposits and Investments

Cash and Cash Equivalents: The District maintains a cash and investment pool used by all funds. Each fund type's portion is displayed on the "Combined Balance Sheet - All Governmental Fund Types and Account Groups" as cash and cash equivalents.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 3: Deposits and Investments - continued

Legal Requirements: Deposits and investments are restricted by provisions of the Ohio Revised Code. Statutes require the classification of monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 are 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.

Inactive monies are permitted to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuance's of federal government agencies or instrumentality's;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 3: Deposits and Investments - continued

4. Bonds and other obligations of the State of Ohio;
5. 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; and
6. The State Treasurer's investment pool (STAR Ohio).

STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2001. The State Treasurer's Office manages this investment pool.

The District may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons.
3. Obligations of the District.

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 District and must be purchased with the expectation that it will be held to maturity.

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

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 3: Deposits and Investments - continued

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: At year end, the carrying amount of the District's deposits was \$(230,916), which includes \$2,275 of petty cash, and the Bank balance was \$2,016,961. Of the bank balance, \$183,142 was covered by FDIC and the remainder was collateralized by the banks with securities held by the pledging financial institutions' trust departments.

Investments: The District's investments are categorized below to give an indication of the level of risk assumed by the District at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the District.

Category 2 includes uninsured and unregistered investments for which securities are held by the financial institution's trust department or agent in the District's name.

Category 3 includes uninsured and unregistered investments for which securities are held by the financial institution or by its trust department but not in the District's name.

	<u>Category</u> <u>2</u>	<u>Carrying</u> <u>Value</u>	<u>Fair</u> <u>Value</u>
FNMA	\$ 503,611	\$ 503,611	\$ 502,996
Provident CD	1,000,000	1,000,000	1,000,000
First Merit CD	1,000,000	1,000,000	1,000,000
FHLM	1,001,905	1,001,905	1,002,520
Repurchase Agreement	<u>210,000</u>	210,000	210,000
Investments not Subject to Categorization:			
Investments in State			
Treasurer's Investment Pool		<u>16,926,977</u>	<u>16,926,977</u>
TOTAL INVESTMENTS	\$ <u>3,715,516</u>	\$ <u>20,642,493</u>	\$ <u>20,642,493</u>

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 4: Jointly Governed Organizations

A. Lake Erie Educational Computer Association (LEECA)

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization among thirty Districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of the superintendent 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 Districts are located.

Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Elyria at 1885 Lake Avenue, Elyria, Ohio. During fiscal year 2001, the District contributed \$187,955.

B. Lake Erie Regional Council (LERC)

The Lake Erie Regional Council (LERC) is a jointly governed organization comprised of thirteen school districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, driver education, food service and insurance. Each member provides operating resources to LERC on a per pupil or actual usage charge except for insurance.

The LERC's shared risk pool premiums are billed to each participating school district based on actuarially determined rates. Should contributions prove to be insufficient to pay program costs of the insurance program for any fiscal year, each participating member is notified of the deficiency and billed for its share of the additional cost.

The LERC assembly consists of a superintendent or designated representative from each participating school district and the fiscal agent. LERC is governed by a Board of Directors chosen from the general membership. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Elyria at 1885 Lake Avenue, Elyria, Ohio 44035. In fiscal year 2001, the District contributed \$553,194.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 5: Interfund Transactions

Individual due from other funds and due to other fund balances as of June 30, 2001 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund:	\$ 0	\$ 593,245
Special Revenue Funds:		
Title I	0	29,423
Title VI-B	0	4,731
Handicapped Preschool	0	648
Serve America	0	778
Internal Service Fund	<u>648,073</u>	<u>0</u>
TOTAL	\$ <u>648,073</u>	\$ <u>648,073</u>

Note 6: Fixed Assets

A summary of changes in general fixed assets is as follows:

	June 30, 2000 <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	June 30, 2001 <u>Balance</u>
Land	\$ 521,276	\$ 0	\$ 0	\$ 521,276
Building and Improvements	34,414,863	1,640,563	0	36,055,426
Furniture, Fixtures and Equipment	8,516,072	1,326,613	(77,150)	9,765,535
Vehicles	626,013	34,218	(285,149)	375,082
Textbooks and Library Books	<u>5,270,553</u>	<u>489,000</u>	<u>0</u>	<u>5,759,553</u>
	\$ <u>49,348,777</u>	\$ <u>3,490,394</u>	\$ <u>(362,299)</u>	\$ <u>52,476,872</u>

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 6: Fixed Assets - continued

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

A summary of enterprise fund fixed assets as of June 30, 2001 is as follows:

Furniture, Fixtures and Equipment	\$ 481,685
Less Accumulated Depreciation	(326,631)
Net Fixed Assets	\$ <u>155,054</u>

Note 7: Leases

Capital Leases: The District is a party to lease agreements as lessee for financing the acquisition of communication equipment and photocopiers. The lease agreements qualify as capital leases for accounting purposes and, therefore, were recorded at the present values of the future minimum lease payments as of the inception dates in the General Fixed Assets Account Group and the General Long-Term Debt Account Group.

The future minimum lease obligations and the net present values of these minimum lease payments as of June 30, 2001, were as follows:

<u>General Long-Term Debt</u>	
Year Ending June 30,	
2002	\$ 56,597
2003	<u>14,149</u>
Total Minimum Lease Payments	70,746
Less: Amount Representing Interest	<u>(13,005)</u>
Present Value of Minimum Lease Payments	\$ 57,741

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 8: Long-Term Debt

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

Annual requirements to amortize all bonds outstanding on June 30, 2001, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2002	\$ 300,000	\$ 90,640	\$ 390,640
2003	310,000	73,480	383,480
2004	330,000	54,828	384,828
2005	350,000	34,160	384,160
2006	<u>370,000</u>	<u>11,655</u>	<u>381,655</u>
Total	\$ <u>1,660,000</u>	\$ <u>264,763</u>	\$ <u>1,924,763</u>

Changes in Long-Term Debt: Changes in General Long-Term Debt are as follows:

	Balance at June 30, 2000	Additions	Reductions	Balance at June 30, 2001
General Obligation Bonds:				
Library Construction Bonds, Series 1992, varying interest rates	\$ 1,935,000	\$ 0	\$ 275,000	\$ 1,660,000
Capital Leases	134,379	0	76,638	57,741
Compensated Absences and Retirement	4,511,991	338,892	<u>0</u>	<u>4,850,883</u>
Grand Total	\$ <u>6,581,370</u>	\$ <u>338,892</u>	\$ <u>351,638</u>	\$ <u>6,568,624</u>

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 8: Long-Term Debt - continued

Changes in compensated absences and retirement are reported net because it is impracticable to calculate additions and reductions separately. General obligation bonds will be paid from the Debt Service Fund and the compensated absences and retirement will be paid from the General Fund.

Note 9: Property Taxes

Property taxes include amounts levied annually, on all real and public utility property and business tangible personal property which is located within the District. The Elyria Auditor is responsible for assessing and remitting these property taxes to the District. The Elyria Treasurer is responsible for collecting property taxes.

Real property taxes collected were based on assessed value equal to thirty-five percent (35%) of appraised value. The Elyria Auditor reappraises real property every six years, which was last completed for 1994. Real property taxes are levied on assessed valuations as of December 31, which is the lien date. Real property taxes, billed one year in arrears, are payable annually or semi-annually. The first payment is due January 20, and the remainder is payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes collected were based on assessed values that represent varying percentages of cost. Tangible personal property taxes are levied on January 1, which is the lien date, of the current year and are due by April 30.

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 second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Since Elyria assesses and levies property taxes on a calendar basis, the District receives property taxes from two (2) taxing years during the District's fiscal year.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 9: Property Taxes - continued

The assessed values of real and tangible personal property, upon which property tax receipts for the fiscal year ended June 30, 2001 were based, are as follows:

	2000 Assessed Values	2001 Assessed Values
Real Property:		
Residential/Agriculture	\$ 431,617,380	\$ 523,584,800
Commercial and Industrial	209,611,320	227,864,250
Tangible Property:		
Personal Property	146,075,720	158,244,650
Public Utility	<u>51,049,790</u>	<u>45,315,950</u>
Total Assessed Valuation	<u>\$ 838,354,210</u>	<u>\$ 955,009,650</u>

Note 10: Defined Benefit Pension Plans

State Teachers Retirement System

A. State Teachers Retirement System of Ohio (STRS Ohio) is a cost-sharing, multiple-employer public employee retirement system.

B. STRS Ohio is a statewide retirement plan for certified teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency wholly controlled, managed and supported in whole, or in part, by the state or any political subdivision thereof.

Any member who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age may retire. The maximum annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest years' salaries. The annual allowance is calculated by using a base percentage of 2.1% multiplied by the total number of years of service (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 10: Defined Benefit Pension Plans - continued

added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached.

Legislation passed in April 2000 with a July 1999 effective date provided an adjustment for retirees whose benefits have not kept pace with the rate of inflation. The legislation also changed the formula for calculating the formula benefit. The formula benefit increased to 2.2% from 2.1% per year for all years up to 30 years. For members with 35 or more years of earned Ohio service, the first 30 years will be calculated at 2.5% instead of 2.2%. For earned Ohio service over 30 years, the formula will remain as current law, which provides an escalating formula of 2.5% for the 31st year, 2.6% for the 32nd year, 2.7% for the 33rd year, etc., until 100% of final average salary is reached.

Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

Eligible faculty of Ohio’s public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Full-time faculty with less than five years of service credit have a one-time option to select an ARP instead of STRS Ohio. Employees hired after the ARP is established have 90 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Retirement benefits are annually increased by the greater of the amount of the change in the Consumer Price Index (CPI) or the cumulative CPI increases since retirement, less previous cost-of-living increases, up to a maximum of 3% of the original base benefit. The plan offers comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare premiums.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 10: Defined Benefit Pension Plans - continued

A member with five or more years' credited service who becomes disabled is entitled to a disability benefit. Survivor benefits are available to eligible spouses and dependents of active members who die before retirement. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member. Additional death benefit coverage of \$1,000 or \$2,000 can be purchased. Various other benefits are available to members' beneficiaries.

Benefits are established by Chapter 3307, Revised Code.

C. Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

D. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2000, were 9.3% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ending June 30, 2001, 2000, and 1999 were \$6,364,702, \$6,102,250, and \$5,824,889, respectively. The District paid the required contribution for fiscal years 2001, 2000 and 1999.

E. STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2000 *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, or by calling (614) 227-4090.

School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to SERS, 45 N. Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 10: Defined Benefit Pension Plans - continued

Plan members are required to contribute 9% 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. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's contributions to SERS for the years ending June 30, 2001, 2000, and 1999 were \$1,529,488, \$1,204,414, and \$1,320,943, respectively. The District paid the required contribution for fiscal years 2001, 2000 and 1999.

Note 11: Post Employment Benefits

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System, and to retired non-certified employees and their dependents through the School Employees Retirement System.

State Teachers Retirement System (STRS)

A. State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code (R.C.), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

B. The R.C. grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

C. The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which health care benefits are paid. For the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.419 billion on June 30, 2000. The Health Care Reserve Fund allocation for the year ended June 30, 2001, and after, will be 4.5% of covered payroll.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 11: Post Employment Benefits - continued

D. For the year ended June 30, 2000, net health care costs paid by STRS Ohio were \$283,137,000. There were 99,011 eligible benefit recipients.

June 30, 2000 is the latest date for which information is available.

School Employees Retirement System (SERS)

1. The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.
2. After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2000, the allocation rate is 8.45%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2000, the minimum pay has been established as \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.
3. Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2000 were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, the Retirement System's net assets available for payment of health care benefits was \$252.3 million.
4. The number of benefit recipients currently receiving health care benefits is approximately 50,000.
5. The portion of the District's contributions that were used to fund postemployment benefits is \$1,023,198.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 12: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 1998 the District contracted with Nationwide/Wausau Company for property insurance. Professional liability is protected by the Nationwide/Wausau Company with a \$5,000,000 aggregate limit.

Vehicles are covered by Nationwide/Wausua Company. Automobile liability has a \$2,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past several years.

The Board President and the Superintendent are covered with surety bonds for \$20,000 with Westfield Ohio Farmers. The Treasurer also is covered by a surety bond in the amount of \$20,000. This bond is with ITT Hartford Insurance Company.

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

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". The "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation of the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 12: Risk Management – continued

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

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

The claims liability of \$677,444 reported in the self-insurance fund at June 30, 2001 is based on the liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The amount was based on an estimate provided by the third-party administrator. The change in the liability for the last three years is presented in the following table:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
1999	\$ 742,185	\$ 4,022,702	\$ 4,051,175	\$ 713,712
2000	\$ 713,712	\$ 3,613,079	\$ 3,645,122	\$ 681,669
2001	\$ 681,669	\$ 4,180,931	\$ 4,185,156	\$ 677,444

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 13: Segment Information for Enterprise Funds

The District maintains the following enterprise funds:

The food service fund accounts for the revenues and expenses related to the provision of food service to students.

The uniform school supply fund accounts for the purchase and sale of school supplies that are ultimately purchased by the students.

The rotary fund accounts for all revenues and expenses related to the breakfast program provided at the High School.

	Food Services	Uniform School Supplies	Rotary	Total _____
Operating Revenues	\$ 959,611	\$ 256,266	\$ 1,140	\$ 1,217,017
Operating Expenses	2,358,115	231,699	1,897	2,591,711
Depreciation Expense	3,828	0	0	3,828
Operating Income (Loss)	(1,402,332)	24,567	(757)	(1,378,522)
Operating Grants	1,413,705	0	0	1,413,705
Net Income (Loss)	11,373	24,567	(757)	35,183
Net Working Capital	82,779	349,656	291	432,726
Total Assets	461,417	366,706	291	828,414
Total Equity	\$ 237,833	\$ 349,656	\$ 291	\$ 587,780

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 14: Contingencies

The District receives financial assistance from numerous federal and state agencies which is subjected to financial and compliance audits in accordance with the Federal Single Audit Act Amendments of 1996 and OMB Circular A-133. Such audits could lead to a request for reimbursement to the grantor agency for disallowed expenditures. Management believes that such disallowance's, if any, would not materially affect the District's financial position.

State School Funding Decision

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- ◆ A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- ◆ Fully funded parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 7, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2001

Note 14: Contingencies - continued

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

During the fiscal year ended June 30, 2001, the School District received \$23,566,813 of school foundation support for its general fund.

Elyria City School District

General Fund

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

Since there is only one General fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements have been presented here.

Elyria City School District

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of the specific revenue (other than amounts relating to expendable trusts) that are legally restricted to expenditure for specified purposes.

Public School Support Fund- This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs approved by board resolutions.

Local Grants Fund- This fund accounts for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

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

Athletics Fund- This fund accounts for gate receipts and other revenues from athletic events and all costs (except personnel services) of the District's Athletic Program.

Auxiliary Services Fund- This fund accounts for services to non-public schools within the District which are provided for in state law. Funds are primarily for educational supplies, materials and testing.

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

Educational Management Information Systems (MIS)- This fund accounts for State monies which are used solely for costs associated with the requirements of the management information system.

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

Disadvantaged Pupil Impact Aid Fund- This fund accounts for monies received for disadvantaged pupil impact aid.

Data Communication Fund- This fund accounts for State monies that provide for equipment and other costs associated with the development of data communication systems.

Instructional Material Subsidy Fund- This fund accounts for State monies that are used to purchase instructional materials.

Ohio Reads Grant Fund- This fund is intended to improve reading proficiency test outcomes.

Family and Children First Grant Fund- This fund is used to account for monies used for parental involvement.

Alternative Schools- Alternative education for new and existing at risk and delinquent youths.

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

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

Eisenhower Grant Fund- This fund accounts for Federal monies used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts, and computer learning.

Title VI-B Special Education Fund- This fund accounts for Federal monies to assist schools in identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Title I Fund- This fund accounts for Federal revenues to implement a variety of programs intended to provide supplemental instruction for children of low income families identified as educationally disadvantaged.

Title VI Fund- This fund accounts for Federal revenues which support the implementation of a variety of programs to benefit children attending public and private non-profit schools within the community.

Drug-Free School Grant Fund- This fund accounts for Federal revenues which support the implementation of programs for drug abuse education and prevention.

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

Other Federal Grants Fund- This fund accounts for miscellaneous Federal Grants as listed: USI Child Care Development Block Grant, Pregnancy Grant-Wellness Block Grant, Performance Incentive Grant, Raising the Bar in Middle Grades, Title VI R Reduced Class Size, and the Comprehensive School Reform Demonstration Grant

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Elyria City School District

Combining Balance Sheet

All Special Revenue Funds

June 30, 2001

	<u>Public School Support</u>	<u>Local Grants</u>	<u>Venture Capital</u>	<u>Athletics</u>
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$189,210	\$22,511	\$13,554	\$139,922
Intergovernmental Receivable	0	0	0	0
Total Assets	<u>\$189,210</u>	<u>\$22,511</u>	<u>\$13,554</u>	<u>\$139,922</u>
Liabilities				
Accounts and Contracts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Interfund Payables	0	0	0	0
Due to Other Funds	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity				
Fund Balance (Deficit):				
Reserved for Encumbrances	10,663	1,197	1,423	3,603
Unreserved, Undesignated	178,547	21,314	12,131	136,319
Total Fund Equity	<u>189,210</u>	<u>22,511</u>	<u>13,554</u>	<u>139,922</u>
Total Liabilities and Fund Equity	<u>\$189,210</u>	<u>\$22,511</u>	<u>\$13,554</u>	<u>\$139,922</u>

<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Educational Management Information Services</u>	<u>Public School Preschool</u>	<u>Disadvantaged Pupil Impact Aid</u>
\$306,998	\$25,378	\$33,743	\$4,127	\$39,501
0	0	0	0	0
<u>\$306,998</u>	<u>\$25,378</u>	<u>\$33,743</u>	<u>\$4,127</u>	<u>\$39,501</u>
\$45,879	\$0	\$0	\$0	\$0
13,074	0	0	0	222,713
68	0	0	0	2,148
0	0	0	0	0
0	0	0	0	0
1,167	0	0	0	18,081
<u>60,188</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>242,942</u>
259,876	1,528	5,249	0	0
(13,066)	23,850	28,494	4,127	(203,441)
<u>246,810</u>	<u>25,378</u>	<u>33,743</u>	<u>4,127</u>	<u>(203,441)</u>
<u>\$306,998</u>	<u>\$25,378</u>	<u>\$33,743</u>	<u>\$4,127</u>	<u>\$39,501</u>

(continued)

Elyria City School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2001

	<u>Data Communications</u>	<u>Instructional Material Subsidy</u>	<u>Ohio Reads</u>	<u>Family and Children First</u>	<u>Alternative School</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$62,000	\$8,676	\$127,794	\$81,894	\$360,910
Intergovernmental Receivable	0	0	0	0	0
Total Assets	<u>62,000</u>	<u>8,676</u>	<u>127,794</u>	<u>81,894</u>	<u>360,910</u>
Liabilities					
Accounts and Contracts Payable	\$0	\$8,275	\$106,193	\$0	\$16,000
Accrued Wages and Benefits	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Interfund Payables	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Total Liabilities	<u>0</u>	<u>8,275</u>	<u>106,193</u>	<u>0</u>	<u>16,000</u>
Fund Equity					
Fund Balance (Deficit):					
Reserved for Encumbrances	0	0	13,188	0	12,823
Unreserved, Undesignated	62,000	401	8,413	81,894	332,087
Total Fund Equity	<u>62,000</u>	<u>401</u>	<u>21,601</u>	<u>81,894</u>	<u>344,910</u>
Total Liabilities and Fund Equity	<u>62,000</u>	<u>8,676</u>	<u>127,794</u>	<u>81,894</u>	<u>360,910</u>

ABLE

\$155,844
0

\$155,844

\$36,027
0
0
0
0
0

36,027

92,734
27,083

119,817

\$155,844

<u>Adult Basic Education</u>	<u>Eisenhower Grant</u>	<u>Title VI-B Special Education</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free School Grant</u>
\$33,459	\$23,033	\$199,580	\$944,627	\$49,276	\$38,412
0	0	0	0	0	0
\$33,459	\$23,033	\$199,580	\$944,627	\$49,276	\$38,412
\$3,170	\$0	\$0	\$41,774	\$7,830	\$0
102	0	51,054	183,695	0	0
0	0	359	2,177	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	4,731	29,423	0	0
3,272	0	56,144	257,069	7,830	0
4,864	2,736	3,011	150,170	12,700	9,120
25,323	20,297	140,425	537,388	28,746	29,292
30,187	23,033	143,436	687,558	41,446	38,412
\$33,459	\$23,033	\$199,580	\$944,627	\$49,276	\$38,412

(continued)

Elyria City School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2001

	Preschool Handicapped Grant	Other Federal Grants	Totals	
			2001	2000
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,927	\$470,938	\$3,342,314	\$3,311,345
Intergovernmental Receivable	0	12,190	12,190	295,806
Total Assets	\$10,927	\$483,128	\$3,354,504	\$3,607,151
Liabilities				
Accounts and Contracts Payable	\$0	\$23,434	\$288,582	\$273,795
Accrued Wages and Benefits	6,386	0	477,024	456,393
Intergovernmental Payable	89	0	4,841	0
Deferred Revenue	0	12,190	12,190	85,029
Interfund Payables	0	0	0	4,082
Due to Other Funds	648	778	54,828	57,621
Total Liabilities	7,123	36,402	837,465	876,920
Fund Equity				
Fund Balance (Deficit):				
Reserved for Encumbrances	513	78,722	664,120	380,321
Unreserved, Undesignated	3,291	368,004	1,852,919	2,349,910
Total Fund Equity	3,804	446,726	2,517,039	2,730,231
Total Liabilities and Fund Equity	\$10,927	\$483,128	\$3,354,504	\$3,607,151

Elyria City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended June 30, 2001

	<u>Public School Support</u>	<u>Local Grants</u>	<u>Venture Capital</u>	<u>Athletics</u>
Revenues				
Earnings on Investments	\$0	\$0	\$0	\$0
Extracurricular Activities	77,864	0	0	123,716
Intergovernmental	0	0	50,000	0
Other	103,131	67,354	0	92,614
Total Revenues	180,995	67,354	50,000	216,330
Expenditures				
Current:				
Regular and Special Instruction	0	0	0	0
Vocational and Other Instruction	0	0	0	0
Supporting Services:				
Pupil Services	179	0	0	0
Instructional Staff	0	0	59,477	0
Administration	0	0	0	0
Business and Fiscal Services	0	0	0	39,020
Plant Operation and Maintenance	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community Service	0	0	0	0
Extracurricular	184,123	60,616	0	149,843
Total Expenditures	184,302	60,616	59,477	188,863
Excess of Revenues Over (Under) Expenditures	(3,307)	6,738	(9,477)	27,467
Fund Balances (Deficit)				
Beginning of Year	192,517	15,773	23,031	112,455
Fund Balances End of Year	\$189,210	\$22,511	\$13,554	\$139,922

(continued)

Elyria City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Year Ended June 30, 2001

	<u>Auxiliary Services</u>	<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>Public School Preschool</u>
Revenues				
Earnings on Investments	\$9,944	\$0	\$0	\$0
Extracurricular Activities	0	0	0	0
Intergovernmental	1,038,071	42,611	33,722	81,949
Other	0	0	0	0
Total Revenues	1,048,015	42,611	33,722	81,949
Expenditures				
Current:				
Regular and Special Instruction	0	0	0	50,903
Vocational and Other Instruction	0	0	0	0
Supporting Services:				
Pupil Services	0	0	0	0
Instructional Staff	0	16,467	0	25,652
Administration	0	0	0	3,448
Business and Fiscal Services	0	0	0	3,115
Plant Operation and Maintenance	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	52,668	1,000
Community Service	1,045,473	3,860	0	0
Extracurricular	0	0	0	0
Total Expenditures	1,045,473	20,327	52,668	84,118
Excess of Revenues Over (Under) Expenditures	2,542	22,284	(18,946)	(2,169)
Fund Balances (Deficit)				
Beginning of Year	244,268	3,094	52,689	6,296
Fund Balances End of Year	\$246,810	\$25,378	\$33,743	\$4,127

Disadvantaged Pupil Impact Aid	Data Communication	Instructional Material Subsidy	Ohio Reads	Family and Children First	Alternative School
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
1,737,840	62,000	0	265,933	89,902	418,688
0	0	0	0	0	0
1,737,840	62,000	0	265,933	89,902	418,688
1,194,612	0	8,276	156,573	0	216,390
0	0	0	0	0	0
227,320	0	0	0	0	32,454
122,073	0	0	161,872	0	42,731
170,169	0	0	0	0	88,826
0	0	0	0	0	0
0	0	0	0	0	25,877
0	0	0	0	0	0
0	78,690	0	0	0	0
0	0	0	0	8,008	0
0	0	0	0	0	0
1,714,174	78,690	8,276	318,445	8,008	406,278
23,666	(16,690)	(8,276)	(52,512)	81,894	12,410
(227,107)	78,690	8,677	74,113	0	332,500
(\$203,441)	\$62,000	\$401	\$21,601	\$81,894	\$344,910

ABLE

\$0
0
315,000
0

315,000

19,548
0

400,633
35,335
0
0
0
0
0
0
338
0

455,854

(140,854)

260,671

\$119,817

(continued)

Elyria City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds (continued)
For the Year Ended June 30, 2001

	<u>Adult Basic Education</u>	<u>Eisenhower Grant</u>	<u>Title VI-B Special Education</u>	<u>Title I</u>
Revenues				
Earnings on Investments	\$0	\$0	\$0	\$0
Extracurricular Activities	0	0	0	0
Intergovernmental	152,865	22,857	537,394	1,813,690
Other	0	0	0	0
Total Revenues	152,865	22,857	537,394	1,813,690
Expenditures				
Current:				
Regular and Special Instruction	0	0	39,949	1,383,477
Vocational and Other Instruction	104,399	0	0	0
Supporting Services:				
Pupil Services	0	36,963	83,614	0
Instructional Staff	88,043	0	193,688	489,837
Administration	5,235	0	75,557	44,908
Business and Fiscal Services	0	0	0	1,527
Plant Operation and Maintenance	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community Service	0	0	22,085	26,094
Extracurricular	0	0	0	0
Total Expenditures	197,677	36,963	414,893	1,945,843
Excess of Revenues Over (Under) Expenditures	(44,812)	(14,106)	122,501	(132,153)
Fund Balances (Deficit)				
Beginning of Year	74,999	37,139	20,935	819,711
Fund Balances End of Year	\$30,187	\$23,033	\$143,436	\$687,558

Title VI	Drug-Free School Grant	Preschool Handicapped Grant	Other Federal Grants	Totals	
				2001	2000
\$0	\$0	\$0	\$0	\$9,944	\$10,158
0	0	0	0	201,580	170,981
52,986	90,896	64,309	1,198,830	8,069,543	7,863,946
0	0	0	0	263,099	295,250
52,986	90,896	64,309	1,198,830	8,544,166	8,340,335
603	0	181	1,045,504	4,116,016	3,601,621
0	0	0	0	104,399	46,057
0	102,034	0	134,848	1,018,045	607,889
41,755	3,434	34,931	73,654	1,388,949	1,277,358
0	0	32,519	0	420,662	457,592
0	0	0	0	43,662	72,083
0	0	0	0	25,877	883
0	812	0	0	812	0
0	0	0	0	132,358	11,080
6,138	0	0	0	1,111,996	1,301,552
0	0	0	0	394,582	343,822
48,496	106,280	67,631	1,254,006	8,757,358	7,719,937
4,490	(15,384)	(3,322)	(55,176)	(213,192)	620,398
36,956	53,796	7,126	501,902	2,730,231	2,109,833
\$41,446	\$38,412	\$3,804	\$446,726	\$2,517,039	\$2,730,231

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Public School Support Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Extracurricular Activities	\$77,864	\$77,864		\$77,864	\$0
Other	81,131	103,131		103,131	22,000
Total Revenues	158,995	180,995		180,995	22,000
Expenditures					
Current:					
Supporting Services:					
Pupil Services	10,842	179	\$10,663	10,842	0
Extracurricular	184,123	184,123	0	184,123	0
Total Expenditures	194,965	184,302	10,663	194,965	0
Excess of Revenues Over (Under) Expenditures	(35,970)	(3,307)	(\$10,663)	(\$13,970)	\$22,000
Fund Balance Beginning of Year	192,518	192,518			
Fund Balance End of Year	\$156,548	\$189,211			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Local Grants Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Other	\$66,701	\$67,354		\$67,354	\$653
Total Revenues	66,701	67,354		67,354	653
Expenditures					
Current:					
Extracurricular	61,813	60,616	\$1,197	61,813	0
Total Expenditures	61,813	60,616	1,197	61,813	0
Excess of Revenues Over (Under) Expenditures	4,888	6,738	(\$1,197)	\$5,541	\$653
Fund Balance Beginning of Year	15,774	15,774			
Fund Balance End of Year	\$20,662	\$22,512			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Venture Capital Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$50,000	\$50,000		\$50,000	\$0
Total Revenues	50,000	50,000		50,000	0
Expenditures					
Current:					
Supporting Services:					
Instructional Staff	61,427	60,004	\$1,423	61,427	0
Total Expenditures	61,427	60,004	1,423	61,427	0
Excess of Revenues Over (Under) Expenditures	(11,427)	(10,004)	(\$1,423)	(\$11,427)	\$0
Fund Balance Beginning of Year	23,556	23,556			
Fund Balance End of Year	\$12,129	\$13,552			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Athletics Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Extracurricular	\$116,310	\$123,716		\$123,716	\$7,406
Other	92,614	92,614		92,614	0
Total Revenues	208,924	216,330		216,330	7,406
Expenditures					
Current:					
Supporting Services:					
Business and Fiscal Services	98,649	39,020	\$3,603	42,623	56,026
Extracurricular	149,843	149,843	0	149,843	0
Total Expenditures	248,492	188,863	3,603	192,466	56,026
Excess of Revenues Over (Under) Expenditures	(39,568)	27,467	(\$3,603)	\$23,864	\$63,432
Fund Balance Beginning of Year	112,456	112,456			
Fund Balance End of Year	\$72,888	\$139,923			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Encumbrances	Actual Plus Encumbrances	Variance
Revenues					
Earnings on Investments	\$9,944	\$9,944		\$9,944	\$0
Intergovernmental	1,038,071	1,038,071		1,038,071	0
Total Revenues	1,048,015	1,048,015		1,048,015	0
Expenditures					
Current:					
Community Services	1,393,580	1,087,825	\$305,755	1,393,580	0
Total Expenditures	1,393,580	1,087,825	305,755	1,393,580	0
Excess of Revenues Over (Under) Expenditures	(345,565)	(39,810)	(305,755)	(345,565)	0
Other Financing Sources (Uses)					
Advances Out	(4,082)	(4,082)	0	(4,082)	0
Other Financing (Uses)	(4,082)	(4,082)	0	(4,082)	0
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Use:	(349,647)	(43,892)	(\$305,755)	(\$349,647)	\$0
Fund Balances Beginning of Year	350,891	350,891			
Fund Balances End of Year	\$1,244	\$306,999			

The accompanying notes are an integral part of these financial statements.

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Teacher Development Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$42,611	\$42,611		\$42,611	\$0
Total Revenues	42,611	42,611		42,611	0
Expenditures					
Current:					
Supporting Services:					
Instructional Staff	40,283	38,755	\$1,528	40,283	0
Community Service	3,860	3,860	0	3,860	0
Total Expenditures	44,143	42,615	1,528	44,143	0
Excess of Revenues Over (Under) Expenditures	(1,532)	(4)	(\$1,528)	(\$1,532)	\$0
Fund Balance Beginning of Year	25,383	25,383			
Fund Balance End of Year	\$23,851	\$25,379			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$33,722	\$33,722		\$33,722	\$0
Total Revenues	33,722	33,722		33,722	0
Expenditures					
Current:					
Supporting Services:					
Central	54,098	52,668	\$1,430	54,098	0
Total Expenditures	54,098	52,668	1,430	54,098	0
Excess of Revenues Over (Under) Expenditures	(20,376)	(18,946)	(\$1,430)	(\$20,376)	\$0
Fund Balance Beginning of Year	52,688	52,688			
Fund Balance End of Year	\$32,312	\$33,742			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$81,949	\$81,949		\$81,949	\$0
Total Revenues	81,949	81,949		81,949	0
Expenditures					
Current:					
Special Instruction	54,722	50,903	\$3,819	54,722	0
Supporting Services:					
Instructional Staff	25,652	25,652	0	25,652	0
Administration	3,448	3,448	0	3,448	0
Business and Fiscal	3,115	3,115	0	3,115	0
Central	1,000	1,000	0	1,000	0
Total Expenditures	87,937	84,118	3,819	87,937	0
Excess of Revenues Over (Under) Expenditures	(5,988)	(2,169)	(\$3,819)	(\$5,988)	\$0
Fund Balance Beginning of Year	6,296	6,296			
Fund Balance End of Year	\$308	\$4,127			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$1,737,840	\$1,737,840		\$1,737,840	\$0
Total Revenues	1,737,840	1,737,840		1,737,840	0
Expenditures					
Current:					
Regular Instruction	1,173,211	1,172,856		1,172,856	355
Special Instruction	13,087	13,087		13,087	0
Support Services:					
Pupil Services	225,616	225,616		225,616	0
Instructional Staff	122,112	122,112		122,112	0
Administration	169,649	169,649	\$0	169,649	0
Total Expenditures	1,703,675	1,703,320	0	1,703,320	355
Excess of Revenues Over (Under) Expenditures	34,165	34,520	\$0	\$34,520	\$355
Fund Balance Beginning of Year	4,980	4,980			
Fund Balance End of Year	\$39,145	\$39,500			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Data Communications Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$32,410	\$62,000		\$62,000	\$29,590
Total Revenues	32,410	62,000		62,000	29,590
Expenditures					
Current:					
Supporting Services:					
Central	78,690	78,690	\$0	78,690	0
Total Expenditures	78,690	78,690	0	78,690	0
Excess of Revenues Over (Under) Expenditures	(46,280)	(16,690)	\$0	(\$16,690)	\$29,590
Fund Balance Beginning of Year	78,690	78,690			
Fund Balance End of Year	\$32,410	\$62,000			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Instructional Material Subsidy Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues	\$0	\$0		\$0	\$0
Total Revenues	0	0		0	0
Expenditures					
Current:					
Regular Instruction	49,538	40,862	\$8,275	49,137	401
Total Expenditures	49,538	40,862	8,275	49,137	401
Excess of Revenues (Under) Expenditures	(49,538)	(40,862)	(\$8,275)	(\$49,137)	\$401
Fund Balance Beginning of Year	49,540	49,540			
Fund Balance End of Year	\$2	\$8,678			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$265,933	\$265,933		\$265,933	\$0
Total Revenues	265,933	265,933		265,933	0
Expenditures					
Current:					
Regular Instruction	126,312	6,931	\$119,381	126,312	0
Special Instruction	52,555	52,555	0	52,555	0
Supporting Services:					
Instructional Staff	154,602	154,602	0	154,602	0
Total Expenditures	333,469	214,088	119,381	333,469	0
Excess of Revenues Over (Under) Expenditures	(67,536)	51,845	(\$119,381)	(\$67,536)	\$0
Fund Balance Beginning of Year	75,949	75,949			
Fund Balance End of Year	\$8,413	\$127,794			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Summer School Subsidy Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$41,402	\$81,402		\$81,402	\$40,000
Total Revenues	41,402	81,402		81,402	40,000
Excess of Revenues Over Expenditures	41,402	81,402	\$0	\$81,402	\$40,000
Fund Balance Beginning of Year	0	0			
Fund Balance End of Year	\$41,402	\$81,402			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Family & Children First Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$8,500	\$8,500		\$8,500	\$0
Total Revenues	8,500	8,500		8,500	0
Expenditures					
Current:					
Community Services	8,500	8,008	\$0	8,008	492
Total Expenditures	8,500	8,008	0	8,008	492
Excess of Revenues Over Expenditures	0	492	\$0	\$492	\$492
Fund Balance Beginning of Year	0	0			
Fund Balance End of Year	\$0	\$492			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Alternative School Grant Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$315,838	\$315,838		\$315,838	\$0
Total Revenues	315,838	315,838		315,838	0
Expenditures					
Current:					
Regular Instruction	358,452	197,425	\$20,577	218,002	140,450
Supporting Services					
Pupil Services	32,454	32,454	0	32,454	0
Instructional Staff	42,731	42,731	0	42,731	0
Administration	88,826	88,826	0	88,826	0
Operation and Maintenance	25,877	25,877	0	25,877	0
Total Expenditures	548,340	387,313	20,577	407,890	140,450
Excess of Revenues (Under) Expenditures	(232,502)	(71,475)	(\$20,577)	(\$92,052)	\$140,450
Fund Balance Beginning of Year	332,500	332,500			
Fund Balance End of Year	\$99,998	\$261,025			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Extended Learning Opportunity Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$102,850	\$102,850		\$102,850	\$0
Total Revenues	102,850	102,850		102,850	0
Expenditures					
Current:					
Special Instruction	11,211	2,965	\$8,246	11,211	0
Total Expenditures	11,211	2,965	8,246	11,211	0
Excess of Revenues Over (Under) Expenditures	91,639	99,885	(\$8,246)	\$91,639	\$0
Fund Balance Beginning of Year	0	0			
Fund Balance End of Year	\$91,639	\$99,885			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
ABLE Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Encumbrances	Actual Plus Encumbrances	Variance
Revenues					
Intergovernmental	\$315,000	\$315,000		\$315,000	\$0
Total Revenues	315,000	315,000		315,000	0
Expenditures					
Current:					
Special Instruction	160,812	32,051	\$128,761	160,812	0
Supporting Services:					
Pupil Services	374,332	374,332	0	374,332	0
Instructional Staff	35,335	35,335	0	35,335	0
Administration	2,815	2,815	0	2,815	0
Total Expenditures	573,294	444,533	128,761	573,294	0
Excess of Revenues (Under) Expenditures	(258,294)	(129,533)	(128,761)	(258,294)	0
Other Financing Sources (Uses)					
Advances Out	(338)	(338)	0	(338)	0
Other Financing (Uses)	(338)	(338)	0	(338)	0
Excess Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses					
	(258,632)	(129,871)	(\$128,761)	(\$258,632)	\$0
Fund Balances Beginning of Year	285,715	285,715			
Fund Balances End of Year	\$27,083	\$155,844			

The accompanying notes are an integral part of these financial statements.

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$132,865	\$152,865		\$152,865	\$20,000
Total Revenues	132,865	152,865		152,865	20,000
Expenditures					
Current:					
Vocational, Adult/Other Instruction	109,263	101,229	\$8,034	109,263	0
Supporting Services:					
Instructional Staff	89,236	89,227	0	89,227	9
Administration	5,230	5,230	0	5,230	0
Total Expenditures	203,729	195,686	8,034	203,720	9
Excess of Revenues (Under) Expenditures	(70,864)	(42,821)	(8,034)	(50,855)	(20,009)
Other Financing Sources (Uses)					
Operating Transfers In	22,653	22,653	0	22,653	0
Operating Transfers Out	(22,653)	(22,653)	0	(22,653)	0
Other Financing Sources (Uses)	0	0	0	0	0
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(70,864)	(42,821)	(\$8,034)	(\$50,855)	(\$20,009)
Fund Balance Beginning of Year	76,281	76,281			
Fund Balance End of Year	\$5,417	\$33,460			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Eisenhower Grant Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$22,857	\$22,857		\$22,857	\$0
Total Revenues	22,857	22,857		22,857	0
Expenditures					
Current:					
Support Services:					
Pupil Services	40,961	38,225	\$2,736	40,961	0
Total Expenditures	40,961	38,225	2,736	40,961	0
Excess of Revenues (Under) Expenditures	(18,104)	(15,368)	(\$2,736)	(\$18,104)	\$0
Fund Balance Beginning of Year	38,400	38,400			
Fund Balance End of Year	\$20,296	\$23,032			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Title VI-B Special Education Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$537,394	\$537,394		\$537,394	\$0
Total Revenues	537,394	537,394		537,394	0
Expenditures					
Current:					
Special Instruction	185,464	72,953	\$3,011	75,964	109,500
Supporting Services:				0	
Pupil Services	83,550	83,550	0	83,550	0
Instructional Staff	191,922	191,922	0	191,922	0
Administration	75,355	75,355	0	75,355	0
Community Services	21,898	21,898	0	21,898	0
Total Expenditures	558,189	445,678	3,011	448,689	109,500
Excess of Revenues Over (Under) Expenditures	(20,795)	91,716	(\$3,011)	\$88,705	\$109,500
Fund Balance Beginning of Year	107,864	107,864			
Fund Balance End of Year	\$87,069	\$199,580			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Title 1 Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$1,997,858	\$2,015,205		\$2,015,205	\$17,347
Total Revenues	1,997,858	2,015,205		2,015,205	17,347
Expenditures					
Current:					
Special Instruction	2,007,778	1,379,939	\$191,944	1,571,883	435,895
Supporting Services:					
Instructional Staff	467,726	467,726	0	467,726	0
Administration	44,764	44,764	0	44,764	0
Business	1,527	1,527	0	1,527	0
Community Services	27,178	27,178	0	27,178	0
Total Expenditures	2,548,973	1,921,134	191,944	2,113,078	435,895
Excess of Revenues Over (Under) Expenditures	(551,115)	94,071	(191,944)	(97,873)	453,242
Other Financing Sources (Uses)					
Operating Transfers In	229,138	270,605	0	270,605	41,467
Operating Transfers Out	(319,914)	(270,605)	0	(270,605)	49,309
Other Financing Sources (Uses)	(90,776)	0	0	0	90,776
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(641,891)	94,071	(\$191,944)	(\$97,873)	\$544,018
Fund Balance Beginning of Year	850,556	850,556			
Fund Balance End of Year	\$208,665	\$944,627			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Title VI Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Encumbrances	Actual Plus Encumbrances	Variance
Revenues					
Intergovernmental	\$62,248	\$62,248		\$62,248	\$0
Total Revenues	62,248	62,248		62,248	0
Expenditures					
Current:					
Regular Instruction	49,318	413	\$20,530	20,943	28,375
Special Instruction	190	190	0	190	0
Supporting Services:					
Instructional Staff	53,875	53,875	0	53,875	0
Community Services	6,138	6,138	0	6,138	0
Total Expenditures	109,521	60,616	20,530	81,146	28,375
Excess of Revenues Over (Under) Expenditures	(47,273)	1,632	(20,530)	(18,898)	28,375
Other Financing Sources (Uses)					
Operating Transfers In	9,262	9,262	0	9,262	0
Operating Transfers Out	(9,262)	(9,262)	0	(9,262)	0
Other Financing Sources (Uses)	0	0	0	0	0
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(47,273)	1,632	(\$20,530)	(\$18,898)	\$28,375
Fund Balance Beginning of Year	47,644	47,644			
Fund Balance End of Year	\$371	\$49,276			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Drug-Free School Grant Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$90,896	\$90,896		\$90,896	\$0
Total Revenues	90,896	90,896		90,896	0
Expenditures					
Current:					
Supporting Services:					
Pupil Services	140,461	102,052	\$9,120	111,172	29,289
Instructional Staff	4,469	4,469	0	4,469	0
Pupil Transportation	812	812	0	812	0
Total Expenditures	145,742	107,333	9,120	116,453	29,289
Excess of Revenues Over (Under) Expenditures	(54,846)	(16,437)	(\$9,120)	(\$25,557)	\$29,289
Fund Balance Beginning of Year	54,847	54,847			
Fund Balance End of Year	\$1	\$38,410			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Preschool Handicapped Grant Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$64,309	\$64,309		\$64,309	\$0
Total Revenues	64,309	64,309		64,309	0
Expenditures					
Current:					
Special Instruction	10,946	181	\$513	694	10,252
Supporting Services:					
Instructional Staff	35,310	35,310	0	35,310	0
Administration	32,552	32,552	0	32,552	0
Total Expenditures	78,808	68,043	513	68,556	10,252
Excess of Revenues Over (Under) Expenditures	(14,499)	(3,734)	(\$513)	(\$4,247)	\$10,252
Fund Balance Beginning of Year	14,661	14,661			
Fund Balance End of Year	\$162	\$10,927			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Continuous Improvement Grant Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$197,660	\$197,660		\$197,660	\$0
Total Revenues	197,660	197,660		197,660	0
Expenditures					
Current:					
Regular Instruction	164,851	15,264	\$4,165	19,429	145,422
Special Instruction	25,077	25,077	0	25,077	0
Supporting Services:					
Instructional Staff	7,647	7,647	0	7,647	0
Total Expenditures	197,575	47,988	4,165	52,153	145,422
Excess of Revenues Over (Under) Expenditures	85	149,672	(\$4,165)	\$145,507	\$145,422
Fund Balance Beginning of Year	0	0			
Fund Balance End of Year	\$85	\$149,672			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Other Federal Grants Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$1,001,170	\$1,001,170		\$1,001,170	\$0
Total Revenues	1,001,170	1,001,170		1,001,170	0
Expenditures					
Current:					
Regular Instruction	694,624	381,604	\$86,491	468,095	226,529
Special Instruction	625,799	625,799	0	625,799	0
Supporting Services:					
Pupil Services	123,348	123,348	0	123,348	0
Instructional Staff	63,310	63,310	0	63,310	0
Total Expenditures	1,507,081	1,194,061	86,491	1,280,552	226,529
Excess of Revenues (Under) Expenditures	(505,911)	(192,891)	(\$86,491)	(\$279,382)	(\$226,529)
Fund Balance Beginning of Year	514,157	514,157			
Fund Balance End of Year	\$8,246	\$321,266			

Elyria City School District

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the payment of long-term debt principal, interest, and fiscal charges.

Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements have been presented here.

Elyria City School District

Capital Projects Funds

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

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

Building Fund- This fund is used to account for the receipts and expenditures related to all special construction bond funds in the District. Expenditures recorded here represent the costs for constructing, enlarging, extending, rehabilitating, renovating, remodeling and improving District buildings and sites, and equipping and furnishing same.

School Net Plus Fund- This fund accounts for State monies providing for computer hardware and wiring for buildings for kindergarten through fourth grade.

School Net Power-Up Fund- This fund accounts for State monies providing for electrical upgrades.

Elyria City School District

Combining Balance Sheet

All Capital Projects Funds

June 30, 2001

	<u>Permanent Improvement</u>	<u>Building</u>	<u>School Net Plus</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,420,927	\$1,232	\$341,452
Accrued Interest Receivable	<u>35,778</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$2,456,705</u></u>	<u><u>\$1,232</u></u>	<u><u>\$341,452</u></u>
Liabilities			
Accounts and Contracts Payable	\$12,763	\$0	\$34,572
Deferred Revenue	<u>35,778</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u><u>48,541</u></u>	<u><u>0</u></u>	<u><u>34,572</u></u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	28,872	0	138,661
Unreserved, Undesignated	<u>2,379,292</u>	<u>1,232</u>	<u>168,219</u>
Total Fund Equity	<u><u>2,408,164</u></u>	<u><u>1,232</u></u>	<u><u>306,880</u></u>
Total Liabilities and Fund Equity	<u><u>\$2,456,705</u></u>	<u><u>\$1,232</u></u>	<u><u>\$341,452</u></u>

School Net Power-Up	Totals	
	2001	2000
\$0	\$2,763,611	\$3,446,986
0	35,778	134,040
\$0	\$2,799,389	\$3,581,026
\$0	\$47,335	\$367,870
0	35,778	113,873
0	83,113	481,743
0	167,533	460,918
0	2,548,743	2,638,365
0	2,716,276	3,099,283
\$0	\$2,799,389	\$3,581,026

Elyria City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Year Ended June 30, 2001

	<u>Permanent Improvement</u>	<u>Building</u>	<u>School Net Plus</u>
Revenues			
Earnings on Investments	\$631,231	\$0	\$0
Intergovernmental	0	0	304,086
Other	<u>125,492</u>	<u>0</u>	<u>0</u>
Total Revenues	756,723	0	304,086
Expenditures			
Current:			
Regular and Special Instruction	203,992	0	0
Supporting Services:			
Pupil Services	0	0	0
Instructional Staff	0	0	0
Plant Operation and Maintenance	0	0	0
Central	67,485	0	209,953
Capital Outlay	<u>726,420</u>	<u>0</u>	<u>0</u>
Total Expenditures	997,897	0	209,953
Excess of Revenues Over (Under) Expenditures	(241,174)	0	94,133
Other Financing Sources (Uses)			
Sale of Fixed Assets	0	0	0
Operating Transfer-In	0	0	0
Operating Transfer-Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	0	0	0
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(241,174)	0	94,133
Fund Balances			
Beginning of Year	<u>2,649,338</u>	<u>1,232</u>	<u>212,747</u>
Fund Balances End of Year	<u>\$2,408,164</u>	<u>\$1,232</u>	<u>\$306,880</u>

School Net Power-Up	Totals	
	2001	2000
\$0	\$631,231	\$759,966
0	304,086	65,753
0	125,492	0
0	1,060,809	825,719
0	203,992	35,523
0	0	39,203
0	0	72
0	0	315,489
0	277,438	595,917
235,966	962,386	1,102,042
235,966	1,443,816	2,088,246
(235,966)	(383,007)	(1,262,527)
0	0	379,150
0	0	410,405
0	0	(410,405)
0	0	379,150
(235,966)	(383,007)	(883,377)
235,966	3,099,283	3,982,660
\$0	\$2,716,276	\$3,099,283

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Earnings on Investments	\$884,482	\$642,222		\$642,222	(\$242,260)
Total Revenues	884,482	642,222		642,222	(242,260)
Expenditures					
Current:					
Regular Instruction	204,000	203,992		203,992	8
Supporting Services:					
Central	67,485	67,485		67,485	0
Capital Outlay	664,671	624,187	\$40,484	664,671	0
Total Expenditures	936,156	895,664	40,484	936,148	8
Excess of Revenues Over (Under) Expenditures	(51,674)	(253,442)	(\$40,484)	(\$293,926)	(\$242,252)
Fund Balance Beginning of Year	2,674,367	2,674,367			
Fund Balance End of Year	\$2,622,693	\$2,420,925			

Elyria City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Building Fund
 For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Encumbrances	Actual Plus Encumbrances	Variance
Total Revenues	\$0	\$0		\$0	\$0
Total Expenditures	0	0	\$0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	\$0	\$0	\$0
Fund Balance Beginning of Year	1,232	1,232			
Fund Balance End of Year	\$1,232	\$1,232			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
School Net Plus Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Intergovernmental	\$306,000	\$304,086		\$304,086	(\$1,914)
Total Revenues	306,000	304,086		304,086	(1,914)
Expenditures					
Current:					
Supporting Services:					
Central	365,315	191,740	\$172,733	\$364,473	842
Total Expenditures	365,315	191,740	172,733	364,473	842
Excess of Revenues Over (Under) Expenditures	(59,315)	112,346	(\$172,733)	(\$60,387)	(\$1,072)
Fund Balance Beginning of Year	229,108	229,108			
Fund Balance End of Year	\$169,793	\$341,454			

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
School Net Power-Up Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues	\$0	\$0		\$0	\$0
Expenditures					
Capital Outlay	822,591	551,455	\$0	551,455	271,136
Total Expenditures	822,591	551,455	0	551,455	271,136
Excess of Revenues (Under) Expenditures	(822,591)	(551,455)	\$0	(\$551,455)	\$271,136
Fund Balance Beginning of Year	551,455	551,455			
Fund Balance End of Year	(\$271,136)	\$0			

Elyria City School District

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a matter similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or received primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expensed incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The measurement focus is upon determination of net income, financial position, and changes in financial position.

Lunchroom/Cafeteria Fund- This fund accounts for financial activity related to the food service operations of the District.

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

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

Elyria City School District

Combining Balance Sheet

All Enterprise Funds

June 30, 2001

	<u>Lunchroom/ Cafeteria</u>	<u>Uniform School Supplies</u>	<u>Rotary</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
Assets					
Equity in Pooled Cash and Cash					
Equivalents	\$68,252	\$366,706	\$291	\$435,249	\$408,351
Receivables:					
Accounts	4,000	0	0	4,000	4,505
Intergovernmental	179,762	0	0	179,762	185,336
Materials and Supplies					
Inventory	54,349	0	0	54,349	34,754
Fixed Assets (Net of Accumulated Depreciation)	<u>155,054</u>	<u>0</u>	<u>0</u>	<u>155,054</u>	<u>144,635</u>
Total Assets	<u>\$461,417</u>	<u>\$366,706</u>	<u>\$291</u>	<u>\$828,414</u>	<u>\$777,581</u>
Liabilities					
Accounts and Contracts Payable	\$9,019	\$17,050	\$0	\$26,069	\$70,399
Accrued Wages and Benefits	121,994	0	0	121,994	132,901
Intergovernmental Payable	54,270	0	0	54,270	0
Deferred Revenue	<u>38,301</u>	<u>0</u>	<u>0</u>	<u>38,301</u>	<u>21,684</u>
Total Liabilities	<u>223,584</u>	<u>17,050</u>	<u>0</u>	<u>240,634</u>	<u>224,984</u>
Fund Equity					
Retained Earnings	<u>237,833</u>	<u>349,656</u>	<u>291</u>	<u>587,780</u>	<u>552,597</u>
Total Fund Equity	<u>237,833</u>	<u>349,656</u>	<u>291</u>	<u>587,780</u>	<u>552,597</u>
Total Liabilities and Fund Equity	<u>\$461,417</u>	<u>\$366,706</u>	<u>\$291</u>	<u>\$828,414</u>	<u>\$777,581</u>

Elyria City School District
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
All Enterprise Funds
For the Year Ended June 30, 2001

	Lunchroom/ Cafeteria	Uniform School Supplies	Rotary	Totals	
				2001	2000
Operating Revenues					
Food Services	\$955,611	\$0	\$0	\$955,611	\$961,954
Classroom Materials and Fees	0	256,266	0	256,266	434,760
Other	4,000	0	1,140	5,140	3,131
Total Operating Revenues	959,611	256,266	1,140	1,217,017	1,399,845
Operating Expenses					
Salaries and Wages	759,410	0	0	759,410	706,968
Employees' Retirement and Insurance	263,331	0	0	263,331	183,310
Purchased Services	1,164,271	0	1,771	1,166,042	1,224,661
Supplies and Materials	171,103	231,699	126	402,928	412,925
Depreciation	3,828	0	0	3,828	11,371
Total Operating Expenses	2,361,943	231,699	1,897	2,595,539	2,539,235
Operating Income (Loss)	(1,402,332)	24,567	(757)	(1,378,522)	(1,139,390)
Non-Operating Revenues					
Intergovernmental	1,304,551	0	0	1,304,551	1,066,816
Donated Commodities	109,154	0	0	109,154	125,557
Total Non-Operating Revenues	1,413,705	0	0	1,413,705	1,192,373
Net Income (Loss)	11,373	24,567	(757)	35,183	52,983
Retained Earnings					
Beginning of Year	226,460	325,089	1,048	552,597	499,614
Retained Earnings End of Year	\$237,833	\$349,656	\$291	\$587,780	\$552,597

Elyria City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended June 30, 2001

	<u>Lunchroom/ Cafeteria</u>	<u>Uniform School Supplies</u>	<u>Rotary</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
Cash Flows From					
Operating Activities:					
Operating Income (Loss)	(\$1,402,332)	\$24,567	(\$757)	(\$1,378,522)	(\$1,139,390)
Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By (Used In) Operating Activities:					
Depreciation	3,828	0	0	3,828	11,371
(Increase) Decrease In Assets:					
Accounts Receivable	(4,000)	4,505	0	505	(4,505)
Intergovernmental Receivable	5,574	0	0	5,574	9,525
Inventories	(19,595)	0	0	(19,595)	1,572
Increase (Decrease) In Liabilities:					
Accounts and Contracts Payable	(45,987)	1,657	0	(44,330)	42,959
Accrued Wages and Benefits	(10,907)	0	0	(10,907)	(47,582)
Intergovernmental Payable	54,270	0	0	54,270	0
Deferred Revenue	16,617	0	0	16,617	(1,341)
Total Adjustments	<u>(200)</u>	<u>6,162</u>	<u>0</u>	<u>5,962</u>	<u>11,999</u>
Net Cash Provided By (Used In) Operating Activities	(1,402,532)	30,729	(757)	(1,372,560)	(1,127,391)
Cash Flows From Non-Capital Financing Activities:					
Intergovernmental	1,304,551	0	0	1,304,551	1,066,816
Donated Commodities	109,154	0	0	109,154	125,557
Cash Flows From Capital and Related Financing Activities:					
Purchase of Fixed Assets	(14,247)	0	0	(14,247)	(11,011)
Sold Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>766</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(3,074)	30,729	(757)	26,898	54,737
Cash and Cash Equivalents, Beginning of Year	<u>71,326</u>	<u>335,977</u>	<u>1,048</u>	<u>408,351</u>	<u>353,614</u>
Cash and Cash Equivalents, Ending of Year	<u>\$68,252</u>	<u>\$366,706</u>	<u>\$291</u>	<u>\$435,249</u>	<u>\$408,351</u>

Elyria City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual (Non-GAAP Basis)
Lunchroom/Cafeteria Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Food Services	\$955,611	\$955,611		\$955,611	\$0
Intergovernmental	1,339,067	1,310,125		1,310,125	(28,942)
Total Revenues	2,294,678	2,265,736		2,265,736	(28,942)
Expenses					
Salaries	829,316	716,047	\$31,044	747,091	82,225
Fringe Benefits	263,331	263,331	0	263,331	0
Purchased Services	1,423,497	1,210,258	0	1,210,258	213,239
Materials and Supplies	79,175	79,174	0	79,174	1
Total Expenses	2,595,319	2,268,810	31,044	2,299,854	295,465
Excess of Revenues Over (Under) Expenses	(300,641)	(3,074)	(\$31,044)	(\$34,118)	\$266,523
Fund Equity Beginning of Year	71,328	71,328			
Fund Equity End of Year	(\$229,313)	\$68,254			

Elyria City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual (Non-GAAP Basis)
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Classroom Materials and Fees	\$261,000	\$260,771		\$260,771	(\$229)
Total Revenues	261,000	260,771		260,771	(229)
Expenses					
Materials and Supplies	270,699	214,329	\$50,173	264,502	6,197
Capital Outlay	16,000	15,713	0	15,713	287
Total Expenses	286,699	230,042	50,173	280,215	6,484
Excess of Revenues Over (Under) Expenses	(25,699)	30,729	(\$50,173)	(\$19,444)	\$6,255
Fund Equity Beginning of Year	335,976	335,976			
Fund Equity End of Year	\$310,277	\$366,705			

Elyria City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual (Non-GAAP Basis)
Rotary Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Other	\$2,000	\$1,140		\$1,140	(\$860)
Total Revenues	2,000	1,140		1,140	(860)
Expenses					
Purchased Services	1,812	1,771	\$0	1,771	41
Materials and Supplies	126	126	0	126	0
Total Expenses	1,938	1,897	0	1,897	41
Excess of Revenues Over (Under) Expenses	62	(757)	\$0	(\$757)	(\$819)
Fund Equity Beginning of Year	1,047	1,047			
Fund Equity End of Year	\$1,109	\$290			

Elyria City School District

Internal Service Funds

The internal service fund is used to account for the financing of goods or services provided by one department or agency to the other departments or agencies of the governmental units, or to other governmental units, on a cost reimbursement basis.

Self-Insurance Fund- A fund provided to account 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 any other reinsurance or other similar purpose.

Internal Services Rotary Fund- A fund provided to account for operation that provide goods or services to other governmental units on a cost-reimbursement basis.

Elyria City School District

Combining Balance Sheet

All Internal Service Funds

June 30, 2001

	<u>Self-Insurance</u>	<u>Internal Services Rotary</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
Assets				
Equity in Pooled Cash and Cash				
Equivalents	\$4,771,083	\$19,871	\$4,790,954	\$4,725,043
Accounts Receivable	6,043	0	6,043	0
Accrued Interest Receivable	71,394	0	71,394	49,200
Due From Other Funds	648,073	0	648,073	681,107
Total Assets	<u>\$5,496,593</u>	<u>\$19,871</u>	<u>\$5,516,464</u>	<u>\$5,455,350</u>
Liabilities				
Accounts and Contracts Payable	\$0	\$0	\$0	\$833
Claims Payable	677,444	0	677,444	681,669
Deferred Revenue	648,073	0	648,073	681,107
Total Liabilities	<u>1,325,517</u>	<u>0</u>	<u>1,325,517</u>	<u>1,363,609</u>
Fund Equity				
Retained Earnings	4,171,076	19,871	4,190,947	4,091,741
Total Fund Equity	<u>4,171,076</u>	<u>19,871</u>	<u>4,190,947</u>	<u>4,091,741</u>
Total Liabilities and Fund Equity	<u>\$5,496,593</u>	<u>\$19,871</u>	<u>\$5,516,464</u>	<u>\$5,455,350</u>

Elyria City School District
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
All Internal Service Funds
For the Year Ended June 30, 2001

	<u>Self-Insurance</u>	<u>Internal Services Rotary</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
Operating Revenues				
Charges for Services	\$4,646,822	\$0	\$4,646,822	\$4,902,659
Other	6,043	21,017	27,060	32,389
Total Operating Revenues	4,652,865	21,017	4,673,882	4,935,048
Operating Expenses				
Salaries and Wages	0	1,010	1,010	810
Employees' Retirement and Insurance	0	0	0	113
Purchased Services	713,819	1,097	714,916	717,362
Claims	4,180,931	0	4,180,931	3,613,079
Supplies and Materials	0	2,156	2,156	11,232
Other	0	15,632	15,632	12,399
Total Operating Expenses	4,894,750	19,895	4,914,645	4,354,995
Operating Income (Loss)	(241,885)	1,122	(240,763)	580,053
Non-Operating Revenues				
Earnings on Investments	339,969	0	339,969	291,464
Total Non-Operating Revenues	339,969	0	339,969	291,464
Net Income	98,084	1,122	99,206	871,517
Retained Earnings				
Beginning of Year	4,072,992	18,749	4,091,741	3,220,224
Retained Earnings End of Year	\$4,171,076	\$19,871	\$4,190,947	\$4,091,741

Elyria City School District
Combining Statement of Cash Flows
All Internal Services Funds
For the Year Ended June 30, 2001

	<u>Self-Insurance</u>	<u>Internal Services Rotary</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
Cash Flows From Operating Activities:				
Operating Income (Loss)	(\$241,885)	\$1,122	(\$240,763)	\$580,053
Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By (Used In) Operating Activities:				
(Increase) Decrease In Assets:				
Accounts Receivable	(6,043)	0	(6,043)	0
Interest Receivable	(22,194)	0	(22,194)	(49,200)
Due From Other Funds	33,034	0	33,034	(89,292)
Increase (Decrease) In Liabilities:				
Accounts and Contracts Payable	0	(833)	(833)	833
Claims Payable	(4,225)	0	(4,225)	(32,043)
Deferred Revenue	(33,034)	0	(33,034)	89,292
Total Adjustments	<u>(32,462)</u>	<u>(833)</u>	<u>(33,295)</u>	<u>(80,410)</u>
Net Cash Provided By (Used In) Operating Activities	(274,347)	289	(274,058)	499,643
Cash Flows From Investing Activities:				
Earnings On Investments	<u>339,969</u>	<u>0</u>	<u>339,969</u>	<u>291,464</u>
Net Increase (Decrease) in Cash and Cash Equivalents	65,622	289	65,911	791,107
Cash and Cash Equivalents, Beginning of Year	<u>4,705,461</u>	<u>19,582</u>	<u>4,725,043</u>	<u>3,933,936</u>
Cash and Cash Equivalents, Ending of Year	<u>\$4,771,083</u>	<u>\$19,871</u>	<u>\$4,790,954</u>	<u>\$4,725,043</u>

Elyria City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual (Non-GAAP Basis)
Self-Insurance Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Earnings on Investments	\$300,229	\$304,670		\$304,670	\$4,441
Self-Insurance Premiums	4,200,850	\$4,646,822		4,646,822	445,972
Total Revenues	4,501,079	4,951,492		4,951,492	4,441
Expenses					
Other Instruction					
Purchased Services	715,000	713,819		713,819	1,181
Claims	4,445,227	4,185,156	\$0	4,185,156	260,071
Total Expenses	5,160,227	4,898,975	0	4,898,975	261,252
Excess of Revenues Over (Under) Expenses	(659,148)	52,517	\$0	\$52,517	\$265,693
Fund Equity Beginning of Year	4,718,567	4,718,567			
Fund Equity End of Year	\$4,059,419	\$4,771,084			

Elyria City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual (Non-GAAP Basis)
Internal Services Rotary Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Actual Plus Encumbrances</u>	<u>Variance</u>
Revenues					
Extracurricular	\$7,000	\$7,096		\$7,096	\$96
Other	13,921	13,921		13,921	0
Total Revenues	20,921	21,017		21,017	96
Expenses					
Salaries	20,054	1,011	\$2,326	3,337	16,717
Purchased Services	1,097	1,097	0	1,097	0
Supplies and Materials	2,990	2,990	0	2,990	0
Other	15,632	15,632	0	15,632	0
Total Expenses	39,773	20,730	2,326	23,056	16,717
Excess of Revenues Over (Under) Expenses	(18,852)	287	(\$2,326)	(\$2,039)	\$16,813
Fund Equity Beginning of Year	19,583	19,583			
Fund Equity End of Year	\$731	\$19,870			

Elyria City School District

Fiduciary Funds

Trust Funds are used to account for assets held by the District in a trustee capacity for individuals and/or private organizations which benefit the student body or the local community. Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, and other governments and/or other funds.

Expendable Trust Fund

Special Trust Fund- This fund accounts for assets held by the District in a trustee capacity for individuals and/or private organizations that benefit the student body or the local community.

Non-Expendable Trust Fund

Endowment Fund- This fund accounts for assets that have been set aside as an investment. The income from the fund may be expended, but the principal must remain intact.

Agency Fund

Student Activities Fund- This fund accounts for student activity programs which have student participation in the activity and have student involved in management of the program.

Elyria City School District

Combining Balance Sheet
All Trust and Agency Funds
 June 30, 2001

	<u>Expendable Trust</u>	<u>Non-Expendable Trust</u>	<u>Agency</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
	<u>Special Trust Fund</u>	<u>Endowment Fund</u>	<u>Student Activity Fund</u>		
Assets					
Equity in Pooled Cash and Cash Equivalents	<u>\$243,410</u>	<u>\$7,810</u>	<u>\$317,318</u>	<u>\$568,538</u>	<u>\$459,271</u>
Total Assets	<u>\$243,410</u>	<u>\$7,810</u>	<u>\$317,318</u>	<u>\$568,538</u>	<u>\$459,271</u>
Liabilities					
Due to Students	<u>\$0</u>	<u>\$0</u>	<u>\$317,318</u>	<u>\$317,318</u>	<u>\$297,397</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>317,318</u>	<u>317,318</u>	<u>297,397</u>
Fund Equity					
Fund Balance:					
Reserved for Encumbrances	10,022	0	0	10,022	100
Reserved for Endowments	0	5,500	0	5,500	5,500
Unreserved, Undesignated	<u>233,388</u>	<u>2,310</u>	<u>0</u>	<u>235,698</u>	<u>156,374</u>
Total Fund Equity	<u>243,410</u>	<u>7,810</u>	<u>0</u>	<u>251,220</u>	<u>161,974</u>
Total Liabilities and Fund Equity	<u>\$243,410</u>	<u>\$7,810</u>	<u>\$317,318</u>	<u>\$568,538</u>	<u>\$459,371</u>

Elyria City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Expendable Trust Fund
For the Year Ended June 30, 2001

	Special Trust Fund	
	2001	2000
Revenues		
Earnings on Investments	\$532	\$499
Other	141,687	46,676
	142,219	47,175
Expenditures		
Current:		
Regular and Special Instruction	12,391	4,995
Supporting Services:		
Pupil Services	0	8,512
Instructional Staff	35,901	9,144
Central	34	8,331
Community Services	3,250	2,300
	51,576	33,282
Excess of Revenues Over Expenditures	90,643	13,893
Other Financing Sources (Uses)		
Operating Transfer-In	43	0
Operating Transfer-Out	(88)	(109,856)
	(45)	(109,856)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	90,598	(95,963)
Fund Balance Beginning of Year	152,812	248,775
	\$243,410	\$152,812
Fund Balance End of Year	\$243,410	\$152,812

Elyria City School District
Combining Statement of Revenues, Expenses
and Changes in Fund Balance
Non-Expendable Trust Fund
For the Year Ended June 30, 2001

	Endowment Fund	
	2001	2000
Total Operating Revenues	\$0	\$0
Operating Expenses		
Other	1,500	848
Total Operating Expenses	1,500	848
Operating (Loss)	(1,500)	(848)
Non-Operating Revenues		
Earnings On Investments	248	238
Total Non-Operating Revenues	248	238
Net (Loss)	(1,252)	(610)
Fund Balance Beginning of Year	9,062	9,672
Fund Balance End of Year	\$7,810	\$9,062

Elyria City School District
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2001

	Balance 6/30/00	Additions	Reductions	Balance 6/30/01
Student Activities Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$297,397	\$317,318	\$297,397	\$317,318
Total Assets	\$297,397	\$317,318	\$297,397	\$317,318
Liabilities				
Due to Students	\$297,397	\$317,318	\$297,397	\$317,318
Total Liabilities	\$297,397	\$317,318	\$297,397	\$317,318

Elyria City School District

General Fixed Assets Account Group

General Fixed Assets is a balanced account group used to establish control and accountability for the cost of all fixed assets other than those accounted for in proprietary funds. The investment in fixed assets is carried until the disposition of the property and ownership is relinquished. Depreciation on fixed assets is not recorded.

Elyria City School District
 Comparative Schedules of General Fixed Assets by Source
 As of June 30, 2001 and 2000

General Fixed Assets:	<u>2001</u>	<u>2000</u>
Land and Land Improvements	\$521,276	\$521,276
Buildings and Improvements	36,055,426	34,414,863
Furniture, Fixtures and Equipment	9,765,535	8,516,072
Vehicles	375,082	626,013
Textbooks and Library Books	<u>5,759,553</u>	<u>5,270,553</u>
Total General Fixed Assets	<u><u>\$52,476,872</u></u>	<u><u>\$49,348,777</u></u>
Investment in General Fixed Assets by Source:		
General Fund	\$6,775,107	\$4,658,766
Capital Projects Funds	4,777,895	3,766,141
Acquisitions prior to 1998 which sources of funding are not available	<u>40,923,870</u>	<u>40,923,870</u>
Total Investment in General Fixed Assets	<u><u>\$52,476,872</u></u>	<u><u>\$49,348,777</u></u>

Elyria City School District
Schedule of General Fixed Assets by Function and Activity
June 30, 2001

<u>Function</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Vehicles</u>	<u>Textbooks and Library Books</u>
Instruction	\$48,424,533	\$521,276	\$35,609,680	\$6,534,024	\$0	\$5,759,553
Support Services:						
Administration	2,482,865	0	203,516	2,279,349	0	0
Operation and Maintenance of Plant Services	698,508	0	242,230	456,278	0	0
Pupil Transportation Services	621,852	0	0	246,770	375,082	0
Extracurricular Activities	228,808	0	0	228,808	0	0
Community Services	20,306	0	0	20,306	0	0
Total	<u>\$52,476,872</u>	<u>\$521,276</u>	<u>\$36,055,426</u>	<u>\$9,765,535</u>	<u>\$375,082</u>	<u>\$5,759,553</u>

Elyria City School District

Schedule of Changes in General Fixed Assets by Function and Activity

For the fiscal Year Ended June 30, 2001

<u>Function</u>	<u>General Fixed Assets 7/1/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets 6/30/01</u>
Instruction	\$46,573,628	\$2,136,054	\$285,149	\$48,424,533
Support Services:				
Administration	1,583,032	899,833	0	2,482,865
Operation and Maintenance of Plant Services	321,151	454,507	77,150	698,508
Pupil Transportation Services	621,852	0	0	621,852
Extracurricular Activities	228,808	0	0	228,808
Community Services	<u>20,306</u>	<u>0</u>	<u>0</u>	<u>20,306</u>
Total	<u><u>\$49,348,777</u></u>	<u><u>\$3,490,394</u></u>	<u><u>\$362,299</u></u>	<u><u>\$52,476,872</u></u>

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STATISTICAL SECTION

Elyria City School District
Governmental Fund Revenues By Source and Expenditures By Function
(Including Other Sources and Uses)
Last Ten Years

	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>June 30, 1999</u>	<u>June 30, 1998</u>	<u>June 30, 1997</u>
Revenues and Other Financing Sources					
Taxes	\$31,252,267	\$29,774,804	\$25,873,342	\$25,335,237	\$25,856,102
Tuition	1,918,851	771,872	421,849	1,709,960	1,300,909
Earnings On Investments	1,211,225	818,430	810,087	629,061	675,819
Extracurricular Activities	201,580	170,981	191,517	206,711	257,420
Intergovernmental	34,808,208	32,210,002	32,244,776	27,106,823	26,438,516
Other	1,139,690	803,013	695,969	1,028,563	1,140,705
Operating Transfers In	88	109,856	0	4,376,573	1,239,088
Sale of Assets	35,416	423,362	358,082	22,298	4,005,931
Proceeds from Sale of Note	0	0	0	1,500,000	0
Inception of Capital Lease	0	0	0	322,461	0
Total	<u>\$70,567,325</u>	<u>\$65,082,320</u>	<u>\$60,595,622</u>	<u>\$62,237,687</u>	<u>\$60,914,490</u>
Expenditures and Other Financing Uses					
Instructional	\$38,081,756	\$36,764,972	\$33,480,478	\$32,812,480	\$31,783,307
Supporting Services	24,305,701	22,652,465	20,974,199	18,264,616	18,563,071
Food Service	194,063	211,121	171,808	184,869	124,451
Community Services	1,274,466	1,515,455	1,508,669	2,644,204	2,889,580
Extracurricular Activities	1,115,505	1,041,279	887,265	833,673	935,497
Capital Outlay	962,386	1,102,042	1,132,969	736,488	1,506,794
Debt Service	381,321	380,373	407,871	392,068	372,225
Operating Transfers Out	88	109,856	0	4,376,573	1,239,088
Other Uses	0	0	0	41,336	0
Total	<u>\$66,315,286</u>	<u>\$63,777,563</u>	<u>\$58,563,259</u>	<u>\$60,286,307</u>	<u>\$57,414,013</u>

Note: Above reflects General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds

Source: Elyria City School District Financial Records

<u>June 30, 1996</u>	<u>June 30, 1995</u>	<u>June 30, 1994</u>	<u>June 30, 1993</u>	<u>June 30, 1992</u>
\$26,272,958	\$17,920,621	\$24,938,960	\$30,477,220	\$19,943,487
1,716,624	647,956	2,134,241	1,109,519	869,129
472,356	346,693	176,420	169,636	417,622
272,531	991,616	0	239,787	236,199
26,728,734	19,881,197	25,780,128	25,791,672	22,717,481
599,854	355,836	625,010	574,680	391,424
946,227	340,810	658,622	409,619	65,617
174,692	8,133	22,862	0	0
0	0	0	0	0
0	0	0	0	0
<u>\$57,183,976</u>	<u>\$40,492,862</u>	<u>\$54,336,243</u>	<u>\$58,772,133</u>	<u>\$44,640,959</u>
\$31,755,716	\$30,202,691	\$31,067,371	\$29,189,825	\$27,287,445
18,165,843	18,552,774	17,254,565	18,149,575	18,252,686
202,765	181,333	0	0	0
1,108,362	1,190,184	343,450	68,697	0
933,963	961,497	870,406	898,948	870,329
196,616	233,374	3,891,462	2,582,553	1,211,548
413,485	371,722	376,196	153,776	49,868
2,421,705	1,673,932	801,754	537,369	155,617
20,616	8,757	20,067	0	0
<u>\$55,219,071</u>	<u>\$53,376,264</u>	<u>\$54,625,271</u>	<u>\$51,580,743</u>	<u>\$47,827,493</u>

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

Tax Year	Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections
2000	2001	\$24,150,777	\$23,505,881	97.3%	\$607,448
1999	2000	24,134,465	23,417,468	97.0%	665,700
1998	1999	20,804,376	20,242,177	97.3%	496,193
1997	1998	20,678,051	20,433,935	98.8%	447,839
1996	1997	20,130,549	19,674,024	97.7%	470,432
1995	1996	20,229,917	19,868,112	98.2%	555,740
1994	1995	20,320,773	19,791,897	97.4%	589,923
1993	1994	19,785,242	19,270,936	97.4%	523,282
1992	1993	19,533,779	19,043,683	97.5%	432,903
1991	1992	16,931,286	16,079,060	95.0%	390,634

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

Source: Lorain County Auditor's Office

Total Tax Collections	Percent of Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes To Tax Levy
\$24,113,329	99.8%	\$998,726	4.1%
24,083,168	99.8%	1,048,366	4.3%
20,738,370	99.7%	841,979	4.0%
20,881,774	101.0%	431,958	2.1%
20,144,456	100.1%	647,927	3.2%
20,423,852	101.0%	632,419	3.1%
20,381,820	100.3%	849,912	4.2%
19,794,218	100.0%	959,106	4.8%
19,476,586	99.7%	921,336	4.7%
16,469,694	97.3%	773,120	4.6%

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

Tax Year	Collection Year	Real Property		Public Utility Property	
		Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value
2000	2001	\$751,449,050	\$2,146,997,286	\$45,315,950	\$51,495,398
1999	2000	641,228,700	1,832,082,000	51,049,790	58,011,125
1998	1999	628,641,190	1,796,117,686	52,552,350	59,718,580
1997	1998	622,107,390	1,777,449,686	52,963,900	60,186,250
1996	1997	536,896,990	1,533,991,400	54,728,310	62,191,261
1995	1996	532,986,540	1,522,818,686	58,016,620	65,927,977
1994	1995	527,893,830	1,508,268,086	60,555,640	68,813,227
1993	1994	459,545,080	1,312,985,943	59,721,780	67,865,659
1992	1993	455,290,980	1,300,831,371	56,678,340	64,407,205
1991	1992	449,626,160	1,284,646,171	55,948,270	63,577,580

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

(1) The Assessed Value is computed at approximately the following percentages of the Estimated Actual Value of Real Property - 35%; Public Utilities - 88%; Tangible Personal Property - 25%

Source: Lorain County Auditor's Office

Tangible Personal Property		Total	
Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value
\$158,244,650	\$632,978,600	\$955,009,650	\$2,831,471,283
146,075,720	584,302,880	838,354,210	2,474,396,005
145,298,703	581,194,812	826,492,243	2,437,031,077
140,637,370	562,549,480	815,708,660	2,400,185,416
138,145,420	552,581,680	729,770,720	2,148,764,341
126,215,644	504,862,576	717,218,804	2,093,609,239
120,763,838	483,055,352	709,213,308	2,060,136,665
127,856,251	511,425,004	647,123,111	1,892,276,606
119,598,338	478,393,352	631,567,658	1,843,631,928
119,237,973	476,951,892	624,812,403	1,825,175,643

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

Tax Year	Collection Year	Elyria City School District	Lorain County	City of Elyria	Lorain County Joint Vocational School
2000	2001	57.11	10.79	4.20	2.45
1999	2000	52.71	10.79	4.20	2.45
1998	1999	52.71	10.79	4.20	2.45
1997	1998	53.58	10.79	4.20	2.45
1996	1997	53.68	12.69	4.20	2.45
1995	1996	53.98	12.69	4.20	2.45
1994	1995	54.58	12.69	4.20	2.45
1993	1994	54.83	11.74	4.20	2.45
1992	1993	48.95	11.74	4.20	2.45
1991	1992	48.90	11.74	4.20	2.45

Source: Lorain County Auditor's Office

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

Fiscal Year Ended	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available (3)
6/30/01	55,953	\$955,009,650	\$1,660,000	601,691
6/30/00	56,746	838,354,210	1,935,000	576,148
6/30/99	56,746	826,492,243	2,195,000	565,649
6/30/98	56,746	815,708,660	2,440,000	605,462
6/30/97	56,746	729,770,720	2,660,000	557,021
6/30/96	56,746	717,218,804	2,870,000	729,029
6/30/95	56,746	709,213,308	3,065,000	677,346
6/30/94	56,746	647,123,111	3,245,000	609,492
6/30/93	56,746	631,567,658	3,400,000	247,837
6/30/92	56,746	624,812,403	0	0

Source:

- (1) City of Elyria
- (2) Lorain County Auditor's Office
- (3) Elyria City School District Financial Records

Net Bonded Debt	Ratio of Debt Service Expenditures to Total Governmental Expenditures	Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
\$1,058,309	0.70%	0.11%	18.91
1,358,852	0.70%	0.16%	23.95
1,629,351	0.70%	0.20%	28.71
1,834,538	0.65%	0.22%	32.33
2,102,979	0.65%	0.29%	37.06
2,140,971	0.75%	0.30%	37.73
2,387,654	0.70%	0.34%	42.08
2,635,508	0.69%	0.41%	46.44
3,152,163	0.30%	0.50%	55.55
0	0.10%	0.00%	0.00

Elyria City School District
Computation of Legal Debt Margin
June 30, 2001

Debt Limitation (9% of Assessed Valuation)		\$76,400,772
Total Debt	\$1,660,000	
Less Debt Service Fund Balance	<u>(601,691)</u>	
Less Net Debt		<u>1,058,309</u>
Legal Debt Margin		<u><u>\$75,342,463</u></u>

Elyria City School District
Computation of Direct and Overlapping General Obligation Debt
June 30, 2001

	Net General Obligation Bonded Debt (1)	Percentage Applicable To School District (2)	Amount Applicable To School District
Elyria City School District	\$1,058,309	100.00%	\$1,058,309
Lorain County	6,018,005	18.80%	1,131,385
City of Elyria	<u>12,901,584</u>	100.00%	<u>\$12,901,584</u>
Total	<u><u>\$19,977,898</u></u>		<u><u>\$15,091,278</u></u>

(1) Individual Taxing Entities

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

Source: Respective Political Subdivision.

Elyria City School District
Ratio of Annual Debt Service Expenditures
To Total Governmental Expenditures
Last Ten Fiscal Years(1)

Fiscal Year Ended	Principal	Interest and Fiscal Charges	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service Expenditures To Total Governmental Expenditures
6/30/01	\$275,000	\$106,321	\$381,321	\$66,315,198	0.58%
6/30/00	260,000	120,373	380,373	63,667,707	0.60%
6/30/99	245,000	162,871	407,871	58,563,259	0.70%
6/30/98	220,000	172,068	392,068	60,286,307	0.65%
6/30/97	210,000	162,225	372,225	57,414,013	0.65%
6/30/96	195,000	218,485	413,485	55,219,071	0.75%
6/30/95	180,000	191,722	371,722	53,376,264	0.70%
6/30/94	155,000	221,196	376,196	54,625,271	0.69%
6/30/93	0	153,776	153,776	51,580,743	0.30%
6/30/92	0	49,868	49,868	47,827,493	0.10%

Note: Above reflects General, Special Revenue, Debt Service, Capital Projects, and Expendable Trust Funds

Source: Elyria City School District Financial Records

Elyria City School District
Property Values, New Construction and Bank Deposits
Last Ten Calendar Years

Tax Year	Collection Year	Property Values Estimated Actual Value (1)	New Construction Assessed Value (1)	Bank Deposits (2)
2000	2001	\$2,510,000,701	\$22,010,007	\$533,024,000
1999	2000	2,507,781,690	22,009,145	483,871,000
1998	1999	2,437,031,077	21,416,763	444,974,000
1997	1998	2,400,185,416	11,069,360	920,050,000
1996	1997	2,148,764,341	5,685,950	1,329,795,000
1995	1996	2,093,609,239	8,620,650	1,237,991,000
1994	1995	2,060,136,665	5,144,680	1,254,166,000
1993	1994	1,892,276,606	6,342,200	1,170,581,000
1992	1993	1,843,631,928	4,184,030	1,126,173,000
1991	1992	1,825,175,643	7,621,870	1,066,123,000

Sources:

(1) Lorain County Auditor's Office

(2) Federal Reserve Bank, Cleveland, Ohio
for Lorain County

Elyria City School District
Principal Taxpayers
June 30, 2001

<u>Principal Taxpayers</u>	<u>2000 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Elyria Joint Venture	\$13,294,300	1.59%
Ridge Tool Company	10,591,300	1.26%
Engelhard Corporation	9,888,180	1.18%
Diamond Products	6,134,990	0.73%
First Interstate Elyria	5,795,490	0.69%
Invacare Corporation	5,710,410	0.68%
Parker Hannifin Corporation	5,361,360	0.64%
York International Corporation	5,311,260	0.63%
Sears Roebuck & Co.	3,605,000	0.43%
Lorain Medical Investors	3,167,330	0.38%
Total	<u><u>\$68,859,620</u></u>	<u><u>8.21%</u></u>

Source: Lorain County Auditor's Office - This is the most current list available

Elyria City School District
Demographic Statistics
Last Ten Fiscal Years

Year Ended	Population (1)	Enrollment	Unemployment Rate (1)
2001	55,953	8,551	5.5%
2000	56,746	8,487	5.2%
1999	56,746	8,656	5.4%
1998	56,746	8,753	6.3%
1997	56,746	8,916	6.9%
1996	56,746	8,746	7.0%
1995	56,746	9,012	6.3%
1994	56,746	9,110	7.1%
1993	56,746	9,269	11.0%
1992	56,746	9,210	10.6%

Source: (1) The City of Elyria

Elyria City School District
Miscellaneous Statistics
June 30, 2001

Form of Government	Board of Education
Enrollment	8,551
Superintendent of Schools	Dr. E. Jean Harper
Treasurer	Stephen R. Huzicko
Director of Business Services	Richard Nielson

<u>School Buildings:</u>	<u>Principal</u>	<u>Students</u>
Elyria High School	Michael Gillam	2,098
Eastern Heights Junior High School	Thomas Solet	393
Northwood Junior High School	Thomas Jama	421
Westwood Junior High School	Gregory Horace	434
HillTop Elementary	Donna Giltcher	30
Cascade Elementary	Brenda Peaks	426
Crestwood Elementary	Linda Arter	470
Eastgate Elementary	Bruce Kole	401
Edison Elementary	Carl Bosworth	96
Ely Elementary	Brenda Harriss	480
Erie Elementary	Therman Sampson	308
Franklin Elementary	Harold Booker	408
McKinley Elementary	Chip Hall	396
Oakwood Elementary	Joyce Bouman	377
Prospect Elementary	Michael Amann	414
Roosevelt Elementary	Wanda Knight	493
Windsor Elementary	Michael Routa	449
Spring Valley Early Childhood Center	Robyn Fisher	144
Kindergarten Village	Rita Tomsic	313
		8,551

Source: Elyria City School District Records

Elyria City School District
Teacher Education and Experience
June 30, 2001

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percent of Total</u>
Bachelor's Degree	91	14%
Bachelor's plus 10	68	11%
Bachelor's plus 20	132	21%
Master's Degree	74	12%
Master's plus 10	49	8%
Master's plus 20	47	7%
Master's plus 30	30	5%
Master's plus 40	135	21%
Doctorate	3	0%
Total	629	100%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percent of Total</u>
0 to 5	164	26%
6 to 10	85	14%
11 to 20	180	29%
20 and Over	200	32%
Total	629	100%

Source: Elyria City School District Records

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**SINGLE AUDIT
ELYRIA CITY SCHOOL DISTRICT
JUNE 30, 2001**

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Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of Education
Elyria City School District
Elyria, Ohio 44035

We have audited the financial statements of the Elyria City School District (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated November 1, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Board of Education
Elyria City School District
Report on Compliance and on Internal Control Over
Financial Reporting Based on Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*
Page Two

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hausser + Taylor LLP

Canton, Ohio
November 1, 2001



Report on Compliance with Requirements Applicable to Each Major
Program and Internal Control Over Compliance in Accordance with
OMB Circular A-133

Board of Education
Elyria City School District
Elyria, Ohio 44035

Compliance

We have audited the compliance of the Elyria City School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2001. The District's major federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 2001, and have issued our report thereon dated November 1, 2001. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hausser + Taylor LLP

Canton, Ohio
November 1, 2001

Elyria City School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2001

Federal Grantor/ Sub Grantor Program Title	Federal CFDA Number	Grant Number	Federal Cash Receipts	Federal Cash Disbursements
<u>United States Department of Agriculture</u>				
<i>Passed through State Department of Education</i>				
Child Nutrition Cluster:				
National School Breakfast Program				
Breakfast Federal Aid	10.553	05-PU-00	\$ 83,285	\$ 83,285
		05-PU-01	212,880	212,880
			296,165	296,165
National School Lunch Program				
Section IV Lunch Federal Aid	10.555	LL-P1-00	217,710	217,710
		LL-P1-01	553,698	553,698
Section XI Lunch Federal Aid		LL-P4-00	38,220	38,220
		LL-P4-01	99,317	99,317
			908,945	908,945
Summer Food Service Program				
Fed Aid - Meals	10.559	23-PU-00	27,752	27,752
Fed Aid - Sponsor Admin.		24-PU-00	2,391	2,391
			30,143	30,143
Commodities Program	10.550		125,771	109,154
Total U.S. Department of Agriculture			1,361,024	1,344,407
<u>United States Department of Education</u>				
<i>Passed through State Department of Education</i>				
Adult and Community Education				
Adult Basic Education Program	84.002	AB-SI-00	0	75,873
		AB-SI-01	88,050	45,860
		AB-SI-99C	0	408
		AB-SI 00C	22,653	19,418
			110,703	141,559
Chapter 1 Education Consolidation Improvement Act				
Title I School Subsidy	84.010	C1-S1-00	221,667	1,072,223
		C1-S1-2001	1,793,538	848,911
		C1-S1-00C	270,605	270,605
			2,285,810	2,191,739
Special Education Cluster:				
Education Handicapped Act				
VIB Handicapped Flow Through	84.027	6B-SF-00	58,440	166,304
		6B-SF-01	478,954	279,373
			537,394	445,677
Education Handicapped - Preschool				
Preschool Subsidy Flow Through	84.173	PG-SC-99P	4,022	3,659
		PG-S1-00P	0	14,555
		PG-S1-01P	60,287	49,828
			64,309	68,042

Elyria City School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2001

Federal Grantor/ Sub Grantor Program Title	Federal CFDA Number	Grant Number	Federal Cash Receipts	Federal Cash Disbursements
Drug Free Schools				
Drug Free Education Subsidy	84.186	DR-S1-00 DR-S1-2001	0 <u>90,896</u>	47,211 <u>55,654</u>
			90,896	102,865
Goals 2000				
Discretionary Administration	84.276	G2-S2-00 G2-S2-02 G2-S1-00 G2-A2-01	90,000 52,100 0 250	32,724 0 56,622 0
Performance Incentive		G2-S1-01	<u>55,560</u>	<u>15,264</u>
			197,910	104,610
Eisenhower Professional Development State Grant				
Math Science Subsidy	84.281	MS-S1-00 MS-S1-2001 MS-S1-99C	4,726 18,131 0	31,440 1,191 5,594
			<u>22,857</u>	<u>38,225</u>
Innovative Education Program Strategy				
Chapter 2 Subsidy	84.298	C2-S1-00 C2-S1-2001 C2-S1-99 C2-S1-99C	6,437 46,549 9,262 9,262	34,824 9,068 9,262 16,724
			<u>71,510</u>	<u>69,878</u>
Technology Literacy Challenge Fund				
Tech Literacy Subsidy	84.318	TF-D1-01 TF-D2-01 TF-D3-01 TF-25-00P	175,000 100,000 25,000 0	175,000 100,000 24,981 25,000
			<u>300,000</u>	<u>324,981</u>
Comprehensive School Reform				
Comprehensive School Reform Subsidy	84.332	RF-S1-00 P RF-S1-2001	0 <u>217,500</u>	113,343 <u>183,051</u>
			217,500	296,394
Class Size Reduction Grant				
Class Size Reduction Subsidy	84.340	CR-S1-2000 CR-S1-2001	104,956 196,310	262,390 91,201
			<u>301,266</u>	<u>353,591</u>
Total U.S. Department of Education			<u>4,200,155</u>	<u>4,137,561</u>
 <u>United States Department of Health and Human Services</u>				
<i>Passed through State Department of Mental Retardation and Developmental Disabilities</i>				
Medicaid: Title XVIII	93.778		321,984	321,984
Total Federal Assistance			<u>\$5,883,163</u>	<u>\$5,803,952</u>

Notes:

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information is presented in accordance with the requirements of the OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements. Values for commodities are based on fair market approximations. Values may change from month to month and are entirely subjective.

Elyria City School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2001

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? ___yes no
Reportable condition(s) identified
not considered to be material weakness(es)? ___yes none reported

Noncompliance material to financial
statements noted? ___yes no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? ___yes no
Reportable condition(s) identified
not considered to be material weakness(es)? ___yes none reported

Type of auditor's report issued on
compliance for major programs: Unqualified

Any audit findings disclosed that are
reported in accordance with
Circular A-133, Section .510(a)? ___yes no

Elyria City School District

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2001

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Numbers</u>
Special Education Cluster:	
VIB Handicapped	84.027
Preschool Subsidy	84.173
Technology Literacy	84.318
Class Size Reduction Subsidy	84.340
Medicaid: Title XIX	93.778
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> _yes <input type="checkbox"/> _no

Elyria City School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2001

Section II - Financial Statement Findings

There are no reportable conditions, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There are no audit findings that are required to be reported by Circular A-133, Section .510(a).



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ELYRIA CITY SCHOOL DISTRICT

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 12, 2002**