

ELYRIA CITY SCHOOL DISTRICT

Audit Report

For the Year Ended June 30, 2002

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants



Auditor of State
Betty Montgomery

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Board of Education
Elyria City School District
Elyria, Ohio

We have reviewed the Independent Auditor's Report of the Elyria City School District, Lorain County, prepared by Charles E. Harris & Associates, for the audit period July 1, 2001 through June 30, 2002. 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.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 22, 2003

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ELYRIA CITY SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2002

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Charles E. Harris & Associates, Inc.
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**OPINION ON SUPPLEMENTARY SCHEDULE
OF FEDERAL AWARDS EXPENDITURES**

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

We have audited the general purpose financial statements of the Elyria City School District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 20, 2002. 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 conducted 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Expenditures is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget, Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
December 20, 2002

ELYRIA CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

| Federal Grantor/Program Title | Pass Through Entity Number | CFDA Number | Receipts Recognized | Program Expenditures |
|---|----------------------------------|----------------|------------------------|-------------------------|
| <u><i>U.S. Department of Agriculture</i></u> | | | | |
| Passed Through the Ohio Department of Education | | | | |
| Nutrition Cluster: | | | | |
| Food Distribution | N/A | 10.550 | \$ 123,538 | \$ 97,338 |
| National School Breakfast Program | " | 10.553 | 295,637 | 295,637 |
| National School Lunch Program | " | 10.555 | 964,560 | 964,560 |
| Summer Food Service Program | " | 10.559 | 35,305 | 35,305 |
| Total Nutrition Cluster | | | 1,419,040 | 1,392,840 |
| Total U.S. Department of Agriculture | | | 1,419,040 | 1,392,840 |
| <u><i>U.S. Department of Education</i></u> | | | | |
| Pass through Ohio Department of Education | | | | |
| Special Education Cluster: | | | | |
| Preschool | PG-S1-00P | 84.173 | - | 363 |
| Preschool | PG-S1-01P | 84.173 | - | 10,450 |
| Preschool | PG-S1-02P | 84.173 | 56,358 | 56,358 |
| Title VI-B | 6B-SF-01 | 84.027 | 205,262 | 404,843 |
| Title VI-B | 6B-SF-02 | 84.027 | 718,751 | 531,743 |
| Title VI-B | 6B-EC-02 | 84.027 | 20,000 | - |
| Total Special Education Cluster | | | 1,000,371 | 1,003,757 |
| Adult Basic Education | AB-S1-00C | 84.002 | - | 3,170 |
| Adult Basic Education | AB-S1-01 | 84.002 | - | 30,224 |
| Adult Basic Education | AB-S1-2001C | 84.002 | - | 24,612 |
| Adult Basic Education | AB-S1-02 | 84.002 | 154,480 | 135,291 |
| Total Special Education Cluster | | | 154,480 | 193,298 |
| Title 1 | C1-S1-01C | 84.010 | - | 366,205 |
| Title 1 | C1-S1-01C | 84.010 | 221,673 | 1,166,301 |
| Title 1 | C1-S1-02 | 84.010 | 1,550,919 | 1,109,591 |
| Total Title I | | | 1,772,592 | 2,642,097 |
| Eisenhower Grant | MS-S1-00 | 84.281 | - | 6,092 |
| Eisenhower Grant | MS-S1-01 | 84.281 | 27,196 | 26,459 |
| Eisenhower Grant | MS-S1-02 | 84.281 | 23,007 | 359 |
| Total Eisenhower Grant | | | 50,203 | 32,911 |

(continued)

ELYRIA CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

| Federal Grantor/Program Title | Pass Through Entity Number | CFDA Number | Receipts Recognized | Program Expenditures |
|---|----------------------------------|----------------|------------------------|-------------------------|
| <u>U.S Department of Education - (continued)</u> | | | | |
| Pass through Ohio Department of Education - (continued) | | | | |
| Comprehensive School Reform Subsidy | RF-S1-00P | 84.332 | - | 9,528 |
| Comprehensive School Reform | RF-S1-01 | 84.332 | 135,000 | 236,721 |
| Comprehensive School Reform | RF-S1-02 | 84.332 | 225,000 | 158,041 |
| Total Comprehensive School Reform | | | 360,000 | 404,290 |
| Title I School Improvement | AK-S1-02 | 84.348 | 98,584 | 27,097 |
| Total Title I School Improvement | | | 98,584 | 27,097 |
| Title VI | C2-S1-00 | 84.151 | - | 11,547 |
| Title VI | C2-S1-01 | 84.151 | 13,130 | 37,432 |
| Title VI | C2-S1-02 | 84.151 | 36,888 | 13,453 |
| Total Title VI | | | 50,017 | 62,431 |
| Drug Free Schools | DR-S1-00 | 84.184 | - | 3,167 |
| Drug Free Schools | DR-S1-01 | 84.184 | - | 30,406 |
| Drug Free Schools | DR-S1-02 | 84.184 | 71,046 | 60,472 |
| Total Drug Free Schools | | | 71,046 | 94,045 |
| Goals 2000 - Continuous Improvement Grant | G2-S2-00 | 84.276 | - | 57,276 |
| Goals 2000 - Continuous Improvement Grant | G2-S2-02 | 84.276 | - | 38,479 |
| Goals 2000- Teacher Mini-Grant | G2-SP-01 | 84.276 | 1,188 | 1,158 |
| Goals 2000 - Performance Incentive | G2-S1-01 | 84.276 | 5,415 | 38,493 |
| Goals 2000- Ohio School Grant | G2-S5-01 | 84.276 | 11,000 | 692 |
| Total Goals 2000 | | | 17,603 | 136,097 |
| Title VI-R - Class Size Reduction Grant | CR-S1-01 | 84.340 | 84,132 | 189,241 |
| Title VI-R - Class Size Reduction Grant | CR-S1-02 | 84.340 | 242,534 | 242,535 |
| Total Title VI-R - Class Size Reduction Grant | | | 326,666 | 431,776 |
| School Renovation, IDEA and Technology Grant | 1810-642 | 84.352A | 1,474 | 782 |
| Total School Renovation, IDEA and Technology Grant | | | 1,474 | 782 |

(continued)

ELYRIA CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

| Federal Grantor/Program Title | Pass Through Entity Number | CFDA Number | Receipts Recognized | Program Expenditures |
|--|----------------------------------|----------------|------------------------|-------------------------|
| <u><i>U.S Department of Education</i></u> - (continued) | | | | |
| Pass through Ohio Department of Education - (continued) | | | | |
| Schoolnet Raising the Bar | N/A | 84.318 | - | 19 |
| | | | | |
| Total Schoolnet Raising the Bar Grant | | | - | 19 |
| | | | | |
| Total U.S. Department of Education | | | 3,903,036 | 5,028,599 |
| <u><i>U.S. Department of Health and Human Services</i></u> | | | | |
| Passed through Ohio Department of Mental Retardation and Developmental Disabilities | | | | |
| Medicaid Title XIX | N/A | 93.778 | 443,103 | 443,103 |
| | | | | |
| Total U.S. Department of Health and Human Services | | | 443,103 | 443,103 |
| | | | | |
| Total Federal Expenditures | | | \$ <u>5,765,179</u> | \$ <u>6,864,542</u> |

See accompanying Notes to the Schedule of Federal Awards Expenditures

ELYRIA CITY SCHOOL DISTRICT
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

2. Food Distribution

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had food commodities in inventory recorded in the Enterprise Fund.

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**

We have audited the general purpose financial statements of the Elyria City School District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 20, 2002. 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 general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 001-ELY-02.

Internal Controls 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 general purpose 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the District in a separate letter dated December 20, 2002.

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.

Charles E. Harris & Associates, Inc.
December 20, 2002

**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**

Compliance

We have audited the compliance of the Elyria City School District with the types of compliance requirements described in *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, 2002. 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 a major program 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, 2002.

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 a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

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

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.

Charles E. Harris & Associates, Inc.
December 20, 2002

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY
June 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|--------------|---|--|
| (d)(1)(i) | <i>Type of Financial Statement Opinion</i> | Unqualified |
| (d)(1)(ii) | <i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i> | No |
| (d)(1)(ii) | <i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i> | No |
| (d)(1)(iii) | <i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i> | Yes |
| (d)(1)(iv) | <i>Were there any material internal control weakness conditions reported for major federal programs?</i> | No |
| (d)(1)(iv) | <i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i> | No |
| (d)(1)(v) | <i>Type of Major Programs' Compliance Opinion</i> | Unqualified |
| (d)(1)(vi) | <i>Are there any reportable findings under Section .510</i> | No |
| (d)(1)(vii) | <i>Major Programs:</i> | Title 1 CFDA# 84.010 Comprehensive School Reform CFDA# 84.332 |
| (d)(1)(viii) | <i>Dollar Threshold: Type A\B Programs</i> | Type A: > \$300,000 Type B: all others |
| (d)(1)(ix) | <i>Low Risk Auditee?</i> | Yes |

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY
June 30, 2002

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

001-ELY-02 Section 5705.41 (D) Revised Code, require that encumbrances be charged against proper appropriations. Section 5705.41 (B), Revised Code, prohibits a subdivision from making an expenditure unless it has been properly appropriated. The following funds had expenditures plus encumbrances exceeding appropriations: Athletic Fund, Auxiliary Services Fund, EMIS Fund, Ohio Reads Fund, Alternative School Grant Fund, ABLE Fund, Adult Basic Education Fund, Title VI-B Fund, Title 1 Fund, Title VI Fund, Drug Free School Grant Fund, Continuous Improvement Grant Fund, Other Federal Grants Fund, Permanent Improvement Fund, School Net Plus Fund and the Self-Insurance Fund

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the period ending June 30, 2001, included no material citations or recommendations.

ELYRIA CITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2002

Prepared by the Treasurer's Office:
Stephen R. Huzicko
Treasurer

ELYRIA CITY SCHOOL DISTRICT

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INTRODUCTORY SECTION

The Elyria Schools

TO ENSURE THAT EACH CHILD REACHES HIS OR HER FULL POTENTIAL



December 20, 2002

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, 2002 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 of Education 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 employment contract expires July 31, 2005.

The Treasurer is the Chief Financial Officer of the Board and the district and is, pursuant to statutory requirements, appointed by the Board for a four-year term (following a probationary two-year term) and reports directly to the Board. The present Treasurer, Stephen R. Huzicko, has been Treasurer since January 1, 1991; his present four-year contract 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 2001-2002, there were 8,270 students enrolled in the district compared to 8,276 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 FY02, the District employed 1017 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2002, the District paid from its general fund (Disadvantaged Pupil Impact Aid (DPIA) included \$36,598,879 in salaries and \$10,346,002 in fringe benefits and other labor-related costs such as employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, life insurance and medical and dental insurance premiums.

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

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

The District provides medical health insurance coverage to its employees through Medical Mutual Insurance Company. A three tier 5/15/30, Prescription drug program is provided to eligible employees through Advance PCS. The District provides life insurance and accidental death and dismemberment insurance to eligible employees through Medical Life. Dental insurance is provided to eligible employees through Delta Dental of Ohio and vision insurance is provided through VSP. All District employees participate in either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS). The District made required contributions for pension obligations to these Systems on behalf of its employees in the amount of \$8,028,250 during the 2002 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.

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. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

Currently, 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, 2002, the School District received \$23,232,193 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 2002. The rate of unemployment, at the end of the fiscal year 2002, for the Elyria City area was 6.1%.

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, Sofa Express, The Home Depot, Dick's Sporting Goods, a major food chain store (Giant Eagle) a large retail department store (Target) and Circuit City, a major alliance home entertainment store. With the addition of these centers, the surrounding 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 district level was to develop a software program called an *Indicator Reporting Information System (IRIS)* that allows teachers to check the progress of each student longitudinally across time, using indicators that are aligned with new state reporting standards.

- Classroom Technology. The District has a standard for use of technology and uses fiber optics and a Wide Area Network (WAN) to all of its buildings to accommodate the use of administrative and instructional technology. The District's ratio of students to computers is 3:1. The district's high school and middle schools are PC based while all elementary schools use Mac technology. Acquisitions of computers are made annually to supplement existing computers to provide students with the latest hardware and software technology and to replace outdated equipment.
- The District was one of 58 school districts throughout the United States to receive a three-year federal grant to fund an elementary guidance counseling program and was one of eight to receive the maximum allocation of \$400,000 a year for three years.
- Provide email Internet access to all District employees.
- Facility Study. The District contracted with an architectural firm to conduct a comprehensive facilities study of all its buildings in order to ascertain the extent of its infrastructure problems and provide the District with a basis for its five year facility maintenance plan. As a result of the study, the District plans to replace its aging high school facility with a new state-of- the art community based facility.
- The District 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 to the Internet. Teachers and Administrators will have immediate access to district information on students, budget and staff. The District is implementing a new student accounting and test reporting system and an electric grade card reporting system. A new Human Resource system is contemplated to be operational by the year 2004.
- The District will implement its master plan for facilities. With the completion of the facilities study, the District's Facility Maintenance Plan will be able to identify major tasks to be accomplished over the next five years. A major initiative for 2003 will be to secure funding for a new 2,400 pupil; state of the art community based 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.
- Allow all operational units in the district to access operational unit budgets, generate their own financial reports, review vendor payment information and access their account information through the district's web site.
- Use the district's web page as a community resource for Board of Education and Financial Services information on the district.

FINANCIAL INFORMATION

Pursuant to accounting procedures prescribed by the Ohio Revised Code (ORC), revenues and expenditures are recorded on a budgetary basis during the fiscal year. The accounting procedures prescribed by the ORC are generally applicable to all school districts in Ohio and differ from GAAP as promulgated by the Governmental Accounting Standards Board. 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 of Education and the district, is responsible for receiving, maintaining custody of and disbursing and properly reporting all funds of the Board.

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Budgetary Controls

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

Internal Controls

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

Financial Highlights

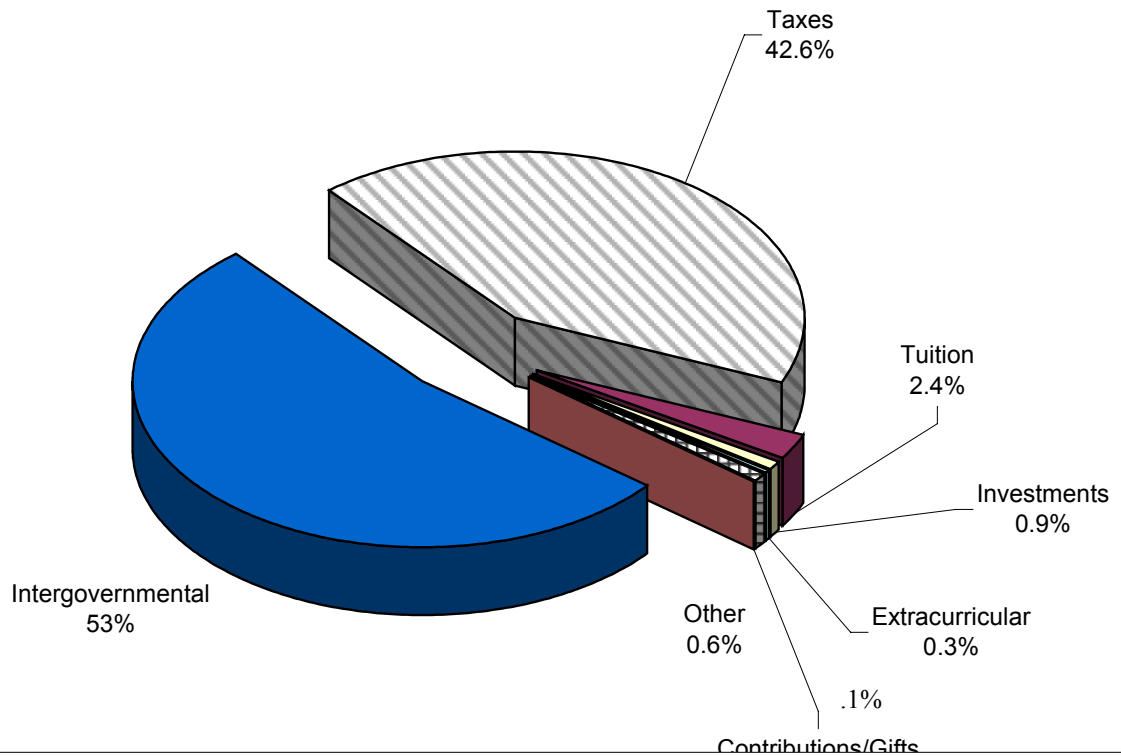
As illustrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

GOVERNMENTAL FUND REVENUES FY 2002

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, 2002 and the percentage of the total revenue received.

| <u>Revenues</u> | <u>FY01 Amount</u> | <u>FY02 Amount</u> | <u>Percent of Total</u> | <u>Increase (Decrease) From FY01</u> | <u>Percent of Increase (Decrease)</u> |
|----------------------------|------------------------|------------------------|-----------------------------|--|---|
| Taxes | \$31,252,267 | \$29,655,884 | 42.63% | (1,596,383) | (5.11)% |
| Tuition | 1,918,851 | 1,638,535 | 2.36% | (280,316) | (14.61)% |
| Investment Earnings | 1,211,225 | 653,478 | .94% | (557,747) | (46.05)% |
| Extracurricular Activities | 201,580 | 193,492 | 0.28% | (8,088) | (4.01)% |
| Other | 998,003 | 421,566 | .61% | (576,437) | (57.76)% |
| Contributions & Grants | 141,687 | 59,616 | .09% | (82,071) | (57.92)% |
| Intergovernmental | 34,808,208 | 36,946,384 | 53.11% | 2,138,176 | 6.14% |
| Total | \$70,531,821 | \$69,568,955 | 100.00% | \$(962,866) | |

Governmental Revenues FY02



Taxes
 Tuition
 Investments
 Extracurricular
 Other
 Contributions/Gifts
 Intergovernmental

Local tax revenue of \$29,655,884 accounts for approximately half of the total revenue generated for the Governmental Funds for fiscal year 2002. Decreases in the assessed taxable real estate property values and in the personal property tax collections accounted for a slight decrease in tax revenues. The remaining decrease is the result of when tax revenue became available to the district. The proportion of revenue from local tax is slightly higher than the norm for Ohio's twenty-one large Urban School districts.

Decreases in interest income are the direct result of the slumping economy and reduced rates. Changes in other income are attributed to better detailed classification of revenue.

Tuition revenues of \$1,638,535 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 decrease in tuition revenues from FY01 resulted from delayed payments from other districts and a smaller special education population.

The largest component of Intergovernmental revenues is the State Foundation Program, which totaled \$27,191,645. 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

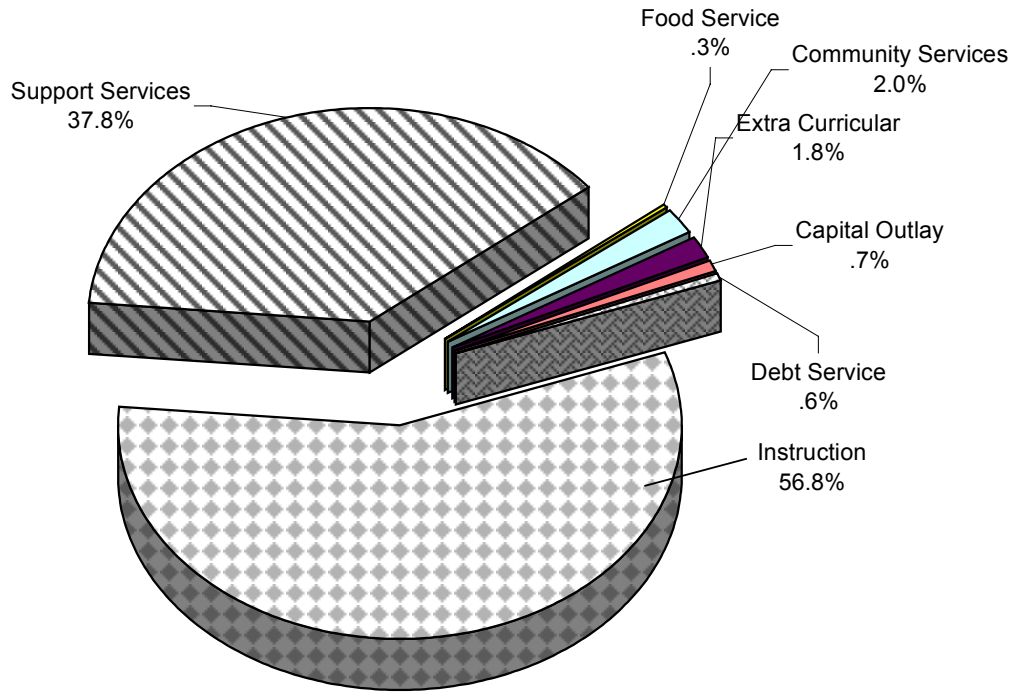
support the District's programs; (2) student enrollment; (3) a per pupil amount for state support; (4) allocations for various categorical programs such as transportation, gifted and talented programs and preschool units; and (5) a weighted average for special needs students enrolled in the districts. 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 costs of special needs student from other districts that resulted in an increase of funds of approximately \$1.4 million. During FY02, the state increases its per pupil allocation and the district actively sought and received funding for state grants that significantly increased revenue for Intergovernmental funds.

GOVERNMENTAL FUND EXPENDITURES FY 2002

Governmental fund expenditures totaled \$68,013,249 and are summarized by major function as follows:

| <u>Expenditures</u> | <u>FY01 Amount</u> | <u>FY02 Amount</u> | <u>Percent of Total</u> | <u>Increase (Decrease) From FY01</u> | <u>Percent of Increase (Decrease)</u> |
|----------------------------|------------------------|------------------------|-----------------------------|--|---|
| Instruction | \$38,081,756 | \$38,657,036 | 56.84% | \$575,280 | 1.51% |
| Support Services | 24,305,701 | 25,691,499 | 37.77% | 1,385,798 | 5.70% |
| Food Services | 194,063 | 193,843 | 0.29% | (220) | (0.11)% |
| Community Services | 1,274,466 | 1,377,970 | 2.03% | 103,504 | 8.12% |
| Extracurricular Activities | 1,115,505 | 1,201,579 | 1.77% | 86,074 | 7.72% |
| Capital Outlay | 962,386 | 500,682 | 0.74% | (461,704) | (47.97)% |
| Debt Service | 381,321 | 390,640 | 0.57% | 9,319 | 2.44% |
| Total | \$66,315,198 | \$68,013,249 | 100.00% | \$1,698,051 | |

Governmental Fund Expenditures FY02



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 and Comprehensive School Reform grants offered through the State and the Drug Free Schools Grant. Increased spending on instruction is attributable to a general salary increase. Increase spending for support services was the result of increases in the cost of doing business for contracted services, general salary increases for support staff and additional staff required as a result of special education programs. In FY02, the district increased its contributions to health care benefit costs for staff to compensate for inflationary costs and changes in programs during FY01.

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 were reduced as a result of a reduction in state support for elementary computer purchases as well as timing issues for purchase of instructional hardware. Expenditures in FY02 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 Debt 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, 2002 with a fund balance of \$8,307,912. The increase in fund balance over 2001 of \$2,489,783, resulted from increases in revenue from increased state funding. 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 \$2,414,039.

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 \$1,360,000 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 \$8. Of this amount, the funds contributed as follows: food service \$(27,687), uniform school supplies \$26,829 and rotary fund \$866.

- 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 2002 for all District funds was \$777,924. 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 2002, 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 2002. 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 Auditor to contract with an (IPA) for completion of the annual audit for a three-year period. For the fiscal year ended June 30, 2002, Charles Harris & Associates 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, 2001. 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/Chief Financial Officer. 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 Aslaksen and the staff of the Treasurer's Office. We want to express our appreciation to all who assisted and contributed to its preparation. We would like to acknowledge all members of the Board of Education who have expressed their interest and support in planning and conducting the financial operations of the District in a fiscally responsible, professional and progressive manner.

E. Jean Harper, Ph.D.
Superintendent

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:

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

Superintendent of Schools

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

Treasurer/Chief Financial Officer

The Treasurer/Chief financial Officer serves as the fiscal officer of the district and, with the board president, executes all conveyances made by the Board of Education. The Treasurer/Chief Financial Officer, Stephen R. Huzicko, has held the position since January 1, 1991. His employment contract expires on December 31, 2004.

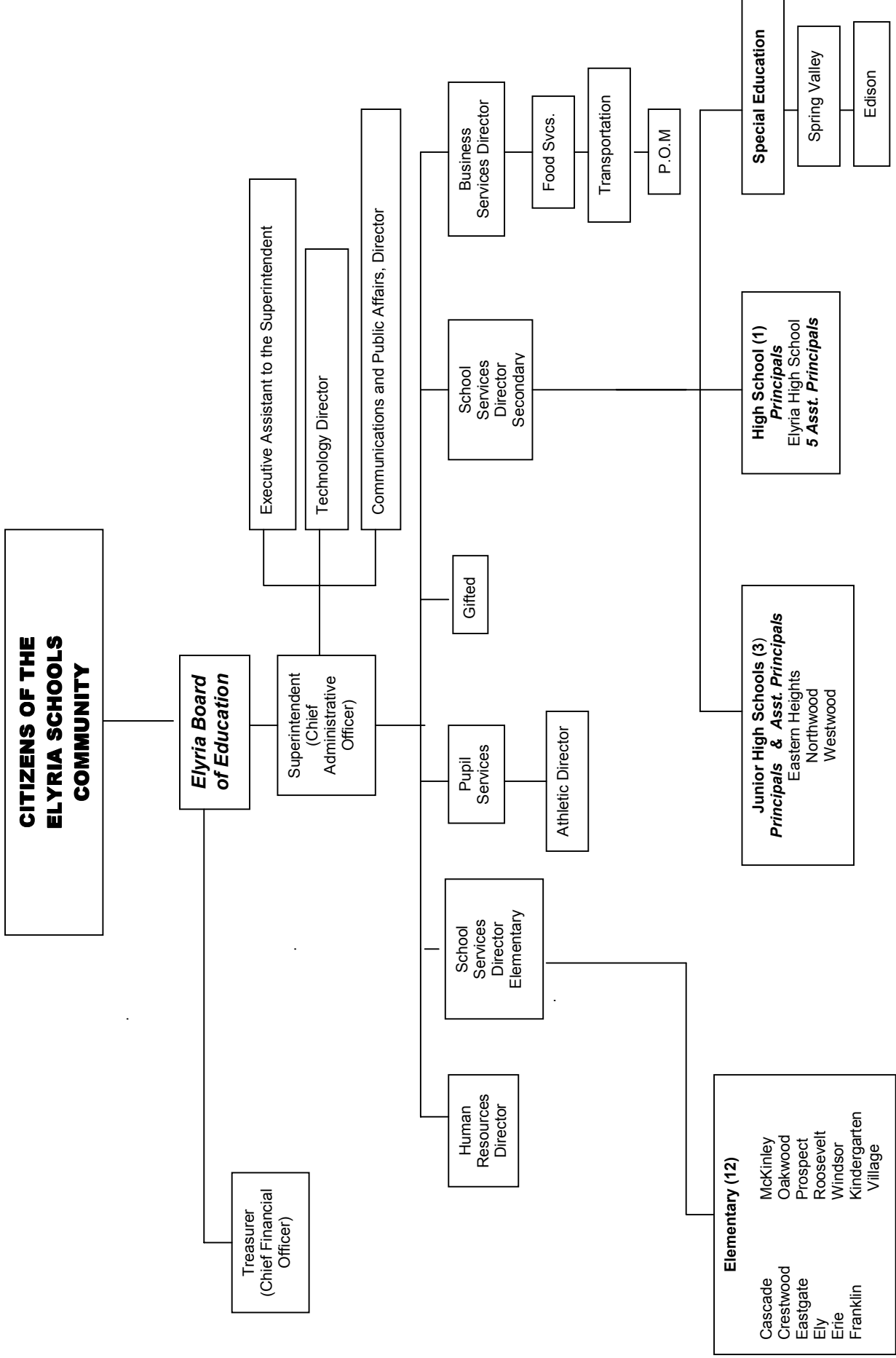
ELYRIA CITY SCHOOL DISTRICT, OHIO

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 Halliburton | Director of Communications and Public Affairs |
| Paul Rigda | Director of Academic Services, Secondary |
| Michele Stoffan | Director of Academic Services, Elementary |
| Joanne Burgess | G.A.T.E. Coordinator, Gifted Program |
| Brian Allsop | Director of Technology |
| Dr. Mark Sutter | Executive Assistant to the Superintendent |
| Dawn McCready | Director of Special Education |
| Cynthia Aslaksen | Assistant Treasurer |
| Richard Nielson | Director of Business Services |
| Mark McGuire | Athletic Director |
| Fred Schossau | 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 |

| | |
|--------------------|---|
| Charles Sanfilippo | Eastgate Elementary Principal |
| Brenda Harris | Ely Elementary Principal |
| Ann Lars | Erie Elementary Principal |
| Chip Hall | McKinley Elementary Principal |
| Elsa Manco | Franklin Elementary Principal |
| Joyce Bouman | Oakwood Elementary Principal |
| Michael Amann | Prospect Elementary Principal |
| 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) |
| Allen Senkovich | Hilltop Academy (Alternative School) |

ORGANIZATIONAL CHART FOR THE ELYRIA CITY SCHOOL DISTRICT



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Elyria City Schools,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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.



Imelda Arave

President

Jeffrey L. Esser

Executive Director

FINANCIAL SECTION

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

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general purpose financial statements of the Elyria City School District (the District), as of and for the year ended June 30, 2002, 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 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 District as of June 30, 2002 and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds 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 a report dated December 20, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Elyria City School District taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the general purpose financial statements of the Elyria City School District. 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.

**Elyria City School District
Report of Independent Accountants
Page – 2 -**

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

***Charles E. Harris & Associates, Inc.*
December 20, 2002**

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Elyria City School District
 Combined Balance Sheet
All Fund Types and Account Groups
 June 30, 2002
 (With Comparative Totals at June 30, 2001)

| | Governmental Fund Types | | | |
|---|--------------------------------|------------------------|---------------------|-------------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| ASSETS AND OTHER DEBITS | | | | |
| Assets | | | | |
| Cash and Cash Equivalents | \$11,548,013 | \$2,363,746 | \$809,818 | \$2,421,168 |
| Cash and Cash Equivalents- Nonexpendable Trust Fund | 0 | 0 | 0 | 0 |
| Receivables: | | | | |
| Taxes | 31,181,378 | 0 | 416,681 | 0 |
| Accounts | 3,760 | 0 | 0 | 12,000 |
| Interfund | 44,155 | 0 | 0 | 0 |
| Accrued Interest | 0 | 0 | 0 | 51,570 |
| Intergovernmental | 359,539 | 1,012,358 | 0 | 0 |
| Due From Other Funds | 0 | 0 | 0 | 0 |
| Inventory | 15,000 | 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 | 0 | 0 | 0 | 0 |
| Long-Term Debt | 0 | 0 | 0 | 0 |
| Total Assets | \$43,151,845 | \$3,376,104 | \$1,226,499 | \$2,484,738 |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | | |
| Liabilities | | | | |
| Accounts and Contracts Payable | \$588,920 | \$296,141 | \$0 | \$19,129 |
| Accrued Wages and Benefits | 4,578,718 | 609,093 | 0 | 0 |
| Intergovernmental Payable | 678,140 | 39,210 | 0 | 0 |
| Claims Payable | 0 | 0 | 0 | 0 |
| Deferred Revenue | 28,340,861 | 513,121 | 371,359 | 51,570 |
| Interfund Payables | 0 | 44,155 | 0 | 0 |
| Due to Other Funds | 657,294 | 81,775 | 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 | 34,843,933 | 1,583,495 | 371,359 | 70,699 |
| Equity and Other Credits | | | | |
| Investment in General Fixed Assets | 0 | 0 | 0 | 0 |
| Retained Earnings - Unreserved | 0 | 0 | 0 | 0 |
| Fund Balance: | | | | |
| Reserved for Encumbrances | 308,710 | 479,822 | 0 | 85,515 |
| Reserved for Inventory | 15,000 | 0 | 0 | 0 |
| Reserved for Debt Service | 0 | 0 | 809,818 | 0 |
| Reserved for Property Tax Advance | 3,005,060 | 0 | 45,322 | 0 |
| Reserved for Endowments | 0 | 0 | 0 | 0 |
| Unreserved, Undesignated | 4,979,142 | 1,312,787 | 0 | 2,328,524 |
| Total Fund Equity | 8,307,912 | 1,792,609 | 855,140 | 2,414,039 |
| Total Liabilities, Equity and Other Credits | \$43,151,845 | \$3,376,104 | \$1,226,499 | \$2,484,738 |

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

| Proprietary Fund Types | | Fiduciary Fund Types | Account Groups | | Totals (Memorandum Only) | |
|---------------------------|---------------------|-------------------------|-------------------------|---------------------------|-----------------------------|----------------------|
| Enterprise | Internal Service | Trust and Agency | General Fixed Assets | General Long-Term Debt | 2002 | 2001 |
| \$464,066 | \$4,177,907 | \$439,247 | \$0 | \$0 | \$22,223,965 | \$20,403,767 |
| 0 | 0 | 7,967 | 0 | 0 | 7,967 | 7,810 |
| 0 | 0 | 0 | 0 | 0 | 31,598,059 | 32,007,286 |
| 5,912 | 6,220 | 0 | 0 | 0 | 27,892 | 10,043 |
| 0 | 0 | 0 | 0 | 0 | 44,155 | 0 |
| 0 | 543 | 0 | 0 | 0 | 52,113 | 138,900 |
| 185,940 | 0 | 0 | 0 | 0 | 1,557,837 | 191,952 |
| 0 | 750,893 | 0 | 0 | 0 | 750,893 | 648,073 |
| 39,126 | 0 | 0 | 0 | 0 | 54,126 | 69,349 |
| 150,657 | 0 | 0 | 54,253,899 | 0 | 54,404,556 | 52,631,926 |
| 0 | 0 | 0 | 0 | 855,140 | 855,140 | 664,300 |
| 0 | 0 | 0 | 0 | 4,913,839 | 4,913,839 | 4,850,883 |
| 0 | 0 | 0 | 0 | 169,672 | 169,672 | 57,741 |
| 0 | 0 | 0 | 0 | 504,860 | 504,860 | 995,700 |
| \$845,701 | \$4,935,563 | \$447,214 | \$54,253,899 | \$6,443,511 | \$117,165,074 | \$112,677,730 |
| \$33,693 | \$2,596 | \$6,290 | \$0 | \$0 | \$946,769 | \$1,171,471 |
| 126,738 | 0 | 0 | 0 | 3,833,385 | 9,147,934 | 8,934,733 |
| 59,458 | 0 | 3,270 | 0 | 1,080,454 | 1,860,532 | 1,629,805 |
| 0 | 703,344 | 0 | 0 | 0 | 703,344 | 677,444 |
| 26,200 | 750,893 | 0 | 0 | 0 | 30,054,004 | 28,358,582 |
| 0 | 0 | 0 | 0 | 0 | 44,155 | 0 |
| 11,824 | 0 | 0 | 0 | 0 | 750,893 | 648,073 |
| 0 | 0 | 219,650 | 0 | 0 | 219,650 | 317,318 |
| 0 | 0 | 0 | 0 | 169,672 | 169,672 | 57,741 |
| 0 | 0 | 0 | 0 | 1,360,000 | 1,360,000 | 1,660,000 |
| 257,913 | 1,456,833 | 229,210 | 0 | 6,443,511 | 45,256,953 | 43,455,167 |
| 0 | 0 | 0 | 54,253,899 | 0 | 54,253,899 | 52,476,872 |
| 587,788 | 3,478,730 | 0 | 0 | 0 | 4,066,518 | 4,778,727 |
| 0 | 0 | 678 | 0 | 0 | 874,725 | 1,404,038 |
| 0 | 0 | 0 | 0 | 0 | 15,000 | 15,000 |
| 0 | 0 | 0 | 0 | 0 | 809,818 | 601,691 |
| 0 | 0 | 0 | 0 | 0 | 3,050,382 | 4,414,774 |
| 0 | 0 | 5,500 | 0 | 0 | 5,500 | 5,500 |
| 0 | 0 | 211,826 | 0 | 0 | 8,832,279 | 5,525,961 |
| 587,788 | 3,478,730 | 218,004 | 54,253,899 | 0 | 71,908,121 | 69,222,563 |
| \$845,701 | \$4,935,563 | \$447,214 | \$54,253,899 | \$6,443,511 | \$117,165,074 | \$112,677,730 |

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, 2002
 (With Comparative Totals at June 30, 2001)

| | Governmental Fund Types | | | |
|--|--------------------------------|----------------------------|-------------------------|-----------------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| Revenues | | | | |
| Taxes | \$29,305,386 | \$0 | \$350,498 | \$0 |
| Tuition | 1,638,535 | 0 | 0 | 0 |
| Earnings on Investments | 151,403 | 7,911 | 0 | 493,741 |
| Extracurricular Activities | 0 | 193,492 | 0 | 0 |
| Intergovernmental | 28,048,818 | 8,485,957 | 236,861 | 174,748 |
| Contributions/Grants | 0 | 0 | 0 | 0 |
| Other | 129,637 | 291,929 | 0 | 0 |
| Total Revenues | 59,273,779 | 8,979,289 | 587,359 | 668,489 |
| Expenditures | | | | |
| Current: | | | | |
| Regular and Special Instruction | 31,808,241 | 4,277,314 | 0 | 209,520 |
| Vocational and Other Instruction | 2,261,310 | 69,470 | 0 | 0 |
| Support Services: | | | | |
| Pupil Services | 3,358,234 | 1,208,575 | 0 | 0 |
| Instructional Staff | 2,318,943 | 1,885,762 | 0 | 0 |
| Administration | 4,140,806 | 483,419 | 0 | 0 |
| Business and Fiscal Services | 1,912,834 | 40,261 | 5,879 | 0 |
| Plant Operation and Maintenance | 6,139,409 | 54,239 | 0 | 0 |
| Pupil Transportation | 2,422,931 | 905 | 0 | 0 |
| Central | 1,102,907 | 111,598 | 0 | 479,414 |
| Food Services | 193,843 | 0 | 0 | 0 |
| Community Services | 175,039 | 1,199,831 | 0 | 0 |
| Extracurricular | 766,734 | 434,845 | 0 | 0 |
| Capital Outlay | 2,011 | 0 | 0 | 464,923 |
| Debt Service: | | | | |
| Principal | 0 | 0 | 300,000 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 90,640 | 0 |
| Total Expenditures | 56,603,242 | 9,766,219 | 396,519 | 1,153,857 |
| Excess Revenues Over (Under) Expenditures | 2,670,537 | (786,930) | 190,840 | (485,368) |
| Other Financing Sources (Uses) | | | | |
| Sale of Assets | 2,377 | 0 | 0 | 0 |
| Operating Transfers-In | 0 | 62,500 | 0 | 228,201 |
| Operating Transfers-Out | (183,131) | 0 | 0 | (45,070) |
| Total Other Financing Sources (Uses) | (180,754) | 62,500 | 0 | 183,131 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 2,489,783 | (724,430) | 190,840 | (302,237) |
| Fund Balances Beginning of Year | 5,818,129 | 2,517,039 | 664,300 | 2,716,276 |
| Fund Balances End of Year | \$8,307,912 | \$1,792,609 | \$855,140 | \$2,414,039 |

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

| Fiduciary Fund Type | Totals | |
|------------------------|---------------------|---------------------|
| | (Memorandum Only) | |
| | 2002 | 2001 |
| Expendable Trust | | |
| \$0 | \$29,655,884 | \$31,252,267 |
| 0 | 1,638,535 | 1,918,851 |
| 423 | 653,478 | 1,211,225 |
| 0 | 193,492 | 201,580 |
| 0 | 36,946,384 | 34,808,208 |
| 59,616 | 59,616 | 141,687 |
| 0 | 421,566 | 998,003 |
| 60,039 | 69,568,955 | 70,531,821 |
| 31,181 | 36,326,256 | 36,064,337 |
| 0 | 2,330,780 | 2,017,419 |
| 0 | 4,566,809 | 4,356,303 |
| 25,211 | 4,229,916 | 3,994,768 |
| 0 | 4,624,225 | 4,333,424 |
| 0 | 1,958,974 | 1,922,731 |
| 0 | 6,193,648 | 6,135,371 |
| 0 | 2,423,836 | 2,296,329 |
| 172 | 1,694,091 | 1,266,775 |
| 0 | 193,843 | 194,063 |
| 3,100 | 1,377,970 | 1,274,466 |
| 0 | 1,201,579 | 1,115,505 |
| 33,748 | 500,682 | 962,386 |
| 0 | 300,000 | 275,000 |
| 0 | 90,640 | 106,321 |
| 93,412 | 68,013,249 | 66,315,198 |
| (33,373) | 1,555,706 | 4,216,623 |
| 0 | 2,377 | 35,416 |
| 0 | 290,701 | 88 |
| 0 | (228,201) | (88) |
| 0 | 64,877 | 35,416 |
| (33,373) | 1,620,583 | 4,252,039 |
| 243,410 | 11,959,154 | 7,707,115 |
| \$210,037 | \$13,579,737 | \$11,959,154 |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|--|---------------------------|---------------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Taxes | \$29,732,743 | \$30,620,763 | | \$30,620,763 | \$888,020 |
| Tuition | 1,528,540 | 1,532,288 | | 1,532,288 | 3,748 |
| Earnings on Investments | 183,131 | 183,131 | | 183,131 | 0 |
| Intergovernmental | 27,663,082 | 27,947,836 | | 27,947,836 | 284,754 |
| Other | 138,127 | 138,127 | | 138,127 | 0 |
| Total Revenues | 59,245,623 | 60,422,145 | | 60,422,145 | 1,176,522 |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 27,024,536 | 25,519,330 | \$460,427 | 25,979,757 | 1,044,779 |
| Special Instruction | 6,130,142 | 6,017,828 | 25,160 | 6,042,988 | 87,154 |
| Vocational, Adult and Other Instruction | 2,293,891 | 2,270,563 | 4,552 | 2,275,115 | 18,776 |
| Supporting Services: | | | | | |
| Pupil Services | 3,352,075 | 3,315,566 | 26,840 | 3,342,406 | 9,669 |
| Instructional Staff | 2,637,792 | 2,316,127 | 22,822 | 2,338,949 | 298,843 |
| Administration | 4,217,660 | 4,132,856 | 12,823 | 4,145,679 | 71,981 |
| Business and Fiscal Services | 1,985,964 | 1,903,646 | 15,871 | 1,919,517 | 66,447 |
| Plant Operation and Maintenance | 6,179,455 | 6,137,296 | 37,516 | 6,174,812 | 4,643 |
| Pupil Transportation | 2,854,487 | 2,841,572 | 2,829 | 2,844,401 | 10,086 |
| Central | 1,217,192 | 1,003,037 | 155,674 | 1,158,711 | 58,481 |
| Food Services | 207,109 | 205,131 | 0 | 205,131 | 1,978 |
| Community Services | 129,826 | 129,826 | 0 | 129,826 | 0 |
| Extracurricular | 788,535 | 763,654 | 5,084 | 768,738 | 19,797 |
| Capital Outlay | 2,050 | 2,011 | 39 | 2,050 | 0 |
| Total Expenditures | 59,020,714 | 56,558,443 | 769,637 | 57,328,080 | 1,692,634 |
| Excess of Revenues Over (Under) Expenditures | 224,909 | 3,863,702 | (769,637) | 3,094,065 | 2,869,156 |
| Other Financing Sources | | | | | |
| Operating Transfers Out | (183,131) | (183,131) | 0 | (183,131) | 0 |
| Advances Out | (44,155) | (44,155) | 0 | (44,155) | 0 |
| Sale of Assets | 2,377 | 2,377 | 0 | 2,377 | 0 |
| Total Other Financing Sources | (224,909) | (224,909) | 0 | (224,909) | 0 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 0 | 3,638,793 | (\$769,637) | \$2,869,156 | \$2,869,156 |
| Fund Balances Beginning of Year | 7,909,220 | 7,909,220 | | | |
| Fund Balances End of Year | \$7,909,220 | \$11,548,013 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|--------------------|---------------------|---|----------------------|
| Revenues | | | | | |
| Earnings on Investments | \$7,911 | \$7,911 | | \$7,911 | \$0 |
| Extracurricular Activities | 212,741 | 209,898 | | 209,898 | (2,843) |
| Intergovernmental | 7,993,752 | 7,986,721 | | 7,986,721 | (7,031) |
| Other | 338,023 | 338,023 | | 338,023 | 0 |
| Total Revenues | 8,552,427 | 8,542,553 | | 8,542,553 | (9,874) |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 1,431,317 | 1,451,458 | \$25,432 | 1,476,890 | (45,573) |
| Special Instruction | 2,340,289 | 2,732,983 | 233,682 | 2,966,665 | (626,376) |
| Vocational, Adult/Other Instruction | 72,965 | 71,390 | 1,575 | 72,965 | 0 |
| Support Services: | | | | | |
| Pupil Services | 871,880 | 1,160,456 | 32,058 | 1,192,514 | (320,634) |
| Instructional Staff | 1,664,165 | 1,885,410 | 77,910 | 1,963,320 | (299,155) |
| Administration | 378,267 | 450,617 | 28,081 | 478,698 | (100,431) |
| Business and Fiscal | 40,529 | 40,529 | 0 | 40,529 | 0 |
| Plant Operation and Maintenance | 55,349 | 55,099 | 250 | 55,349 | 0 |
| Pupil Transportation | 1,303 | 1,303 | 0 | 1,303 | 0 |
| Central | 107,794 | 103,811 | 31,500 | 135,311 | (27,517) |
| Community Services | 1,163,601 | 1,182,397 | 290,137 | 1,472,534 | (308,933) |
| Extracurricular | 469,123 | 429,826 | 48,173 | 477,999 | (8,876) |
| Total Expenditures | 8,596,582 | 9,565,279 | 768,798 | 10,334,077 | (1,737,495) |
| Excess of Revenues Over (Under) Expenditures | (44,155) | (1,022,726) | (768,798) | (1,791,524) | (1,747,369) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 403,418 | 403,418 | 0 | 403,418 | 0 |
| Operating Transfers Out | (403,418) | (403,418) | 0 | (403,418) | 0 |
| Advances In | 44,155 | 44,155 | 0 | 44,155 | 0 |
| Total Other Financing (Uses) | 44,155 | 44,155 | 0 | 44,155 | 0 |
| Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 0 | (978,571) | (\$768,798) | (\$1,747,369) | (\$1,747,369) |
| Fund Balances Beginning of Year | 3,342,314 | 3,342,314 | | | |
| Fund Balances End of Year | \$3,342,314 | \$2,363,743 | | | |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|---|---------------------------|------------------|---------------------|---|------------------|
| Revenues | | | | | |
| Taxes | \$269,789 | \$367,785 | | \$367,785 | \$97,996 |
| Intergovernmental | 142,211 | 236,861 | | 236,861 | 94,650 |
| Total Revenues | 412,000 | 604,646 | | 604,646 | 192,646 |
| Expenditures | | | | | |
| Current: | | | | | |
| Support Services: | | | | | |
| Business and Fiscal Services | 5,980 | 5,879 | | 5,879 | 101 |
| Debt Service: | | | | | |
| Principal | 300,000 | 300,000 | | 300,000 | 0 |
| Interest and Fiscal Charges | 106,020 | 90,640 | \$0 | 90,640 | 15,380 |
| Total Expenditures | 412,000 | 396,519 | 0 | 396,519 | 15,481 |
| Excess of Revenues Over (Under) Expenditures | 0 | 208,127 | \$0 | \$208,127 | \$208,127 |
| Fund Balance Beginning of Year | 601,691 | 601,691 | | | |
| Fund Balance End of Year | \$601,691 | \$809,818 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|--|---------------------------|--------------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Earnings on Investments | \$497,051 | \$450,205 | | \$450,205 | (\$46,846) |
| Intergovernmental | 174,748 | 174,748 | | 174,748 | 0 |
| Total Revenues | 671,799 | 624,953 | | 624,953 | (46,846) |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 200,000 | 209,520 | \$64,660 | 274,180 | (74,180) |
| Support Services: | | | | | |
| Central | 470,000 | 513,986 | 1,590 | 515,576 | (45,576) |
| Capital Outlay | 184,930 | 470,557 | 38,394 | 508,951 | (324,021) |
| Total Expenditures | 854,930 | 1,194,063 | 104,644 | 1,298,707 | (443,777) |
| Excess of Revenues Over (Under) Expenditures | (183,131) | (569,110) | (104,644) | (673,754) | (490,623) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 228,201 | 228,201 | 0 | 228,201 | 0 |
| Operating Transfers Out | (45,070) | (45,070) | 0 | (45,070) | 0 |
| Total Other Financing Sources (Uses) | 183,131 | 183,131 | 0 | 183,131 | 0 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 0 | (385,979) | (\$104,644) | (\$490,623) | (\$490,623) |
| Fund Balances Beginning of Year | 2,763,611 | 2,763,611 | | | |
| Fund Balances End of Year | \$2,763,611 | \$2,377,632 | | | |

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, 2002
 (With Comparative Totals at June 30, 2001)

| | Proprietary Fund Types | | Fiduciary Fund Type | Totals | |
|--|-------------------------------|-----------------------------|---------------------------------|--------------------------|--------------------|
| | Enterprise | Internal Service | Non-Expendable Trust | (Memorandum Only) | |
| | | | | 2002 | 2001 |
| Operating Revenues | | | | | |
| Food Services | \$878,878 | \$0 | \$0 | \$878,878 | \$955,611 |
| Classroom Materials and Fees | 450,077 | 0 | 0 | 450,077 | 256,266 |
| Earnings on Investments | 0 | 0 | 157 | 157 | 248 |
| Charges for Services | 0 | 4,877,386 | 0 | 4,877,386 | 4,646,822 |
| Other | 1,240 | 28,075 | 0 | 29,315 | 32,200 |
| Total Operating Revenues | 1,330,195 | 4,905,461 | 157 | 6,235,813 | 5,891,147 |
| Operating Expenses | | | | | |
| Salaries and Wages | 746,011 | 1,348 | 0 | 747,359 | 760,420 |
| Employees' Retirement and Insurance | 307,695 | 123 | 0 | 307,818 | 263,331 |
| Purchased Services | 1,158,575 | 260,120 | 0 | 1,418,695 | 1,880,958 |
| Claims | 0 | 5,454,548 | 0 | 5,454,548 | 4,180,931 |
| Supplies and Materials | 471,771 | 6,138 | 0 | 477,909 | 405,084 |
| Depreciation | 6,919 | 0 | 0 | 6,919 | 3,828 |
| Other | 2,702 | 13,880 | 0 | 16,582 | 17,132 |
| Total Operating Expenses | 2,693,673 | 5,736,157 | 0 | 8,429,830 | 7,511,684 |
| Operating Income (Loss) | (1,363,478) | (830,696) | 157 | (2,194,017) | (1,620,537) |
| Non-Operating Revenues | | | | | |
| Intergovernmental | 1,207,630 | 0 | 0 | 1,207,630 | 1,304,551 |
| Earnings on Investments | 1,810 | 118,479 | 0 | 120,289 | 339,969 |
| Donated Commodities | 154,046 | 0 | 0 | 154,046 | 109,154 |
| Total Non-Operating Revenues | 1,363,486 | 118,479 | 0 | 1,481,965 | 1,753,674 |
| Net Income (Loss) | 8 | (712,217) | 157 | (712,052) | 133,137 |
| Retained Earnings/Fund Balances Beginning of Year | 587,780 | 4,190,947 | 7,810 | 4,786,537 | 4,653,400 |
| Retained Earnings/Fund Balances End of Year | \$587,788 | \$3,478,730 | \$7,967 | \$4,074,485 | \$4,786,537 |

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, 2002
 (With Comparative Totals at June 30, 2001)

| | <u>Proprietary Fund Types</u> | | <u>Fiduciary Fund Type</u> | <u>Totals</u> | |
|--|-------------------------------|-----------------------------|---------------------------------|---------------------------|---------------------------|
| | <u>Enterprise</u> | <u>Internal Service</u> | <u>Non-Expendable Trust</u> | <u>(Memorandum Only)</u> | |
| | | | | <u>2002</u> | <u>2001</u> |
| Cash Flows From Operating Activities: | | | | | |
| Operating (Loss) | (\$1,363,478) | (\$830,696) | \$157 | (\$2,194,017) | (\$1,620,537) |
| Adjustments To Reconcile Operating (Loss) To Net Cash (Used) by Operating Activities: | | | | | |
| Depreciation | 6,919 | 0 | 0 | 6,919 | 3,828 |
| (Increase) Decrease In Assets: | | | | | |
| Accounts Receivable | (1,912) | (177) | 0 | (2,089) | (5,538) |
| Intergovernmental Receivable | (6,178) | 0 | 0 | (6,178) | 5,574 |
| Interest Receivable | 0 | 70,851 | 0 | 70,851 | (22,194) |
| Due From Other Funds | 0 | (102,820) | 0 | (102,820) | 33,034 |
| Inventories | 15,223 | 0 | 0 | 15,223 | (19,595) |
| Increase (Decrease) In Liabilities: | | | | | |
| Accounts and Contracts Payable | 7,624 | 2,596 | 0 | 10,220 | (45,163) |
| Accrued Wages and Benefits | 4,744 | 0 | 0 | 4,744 | (10,907) |
| Intergovernmental Payable | 5,188 | 0 | 0 | 5,188 | 54,270 |
| Claims Payable | 0 | 25,900 | 0 | 25,900 | (4,225) |
| Due to Other Funds | 11,824 | 0 | 0 | 11,824 | 0 |
| Deferred Revenue | (12,101) | 102,820 | 0 | 90,719 | (16,417) |
| Total Adjustments | <u>31,331</u> | <u>99,170</u> | <u>0</u> | <u>130,501</u> | <u>(27,333)</u> |
| Net Cash (Used) by Operating Activities | (1,332,147) | (731,526) | 157 | (2,063,516) | (1,647,870) |
| Cash Flows From Non-Capital Financing Activities: | | | | | |
| Intergovernmental | 1,361,676 | 0 | 0 | 1,361,676 | 1,413,705 |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Purchased Fixed Assets | (2,522) | 0 | 0 | (2,522) | (14,247) |
| Cash Flows From Investing Activities: | | | | | |
| Earnings on Investments | 1,810 | 118,479 | 0 | 120,289 | 339,969 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 28,817 | (613,047) | 157 | (584,073) | 91,557 |
| Cash and Cash Equivalents, Beginning of Year | <u>435,249</u> | <u>4,790,954</u> | <u>7,810</u> | <u>5,234,013</u> | <u>5,142,456</u> |
| Cash and Cash Equivalents, End of Year | <u>\$464,066</u> | <u>\$4,177,907</u> | <u>\$7,967</u> | <u>\$4,649,940</u> | <u>\$5,234,013</u> |

Noncash Non-Capital Financing Activities

During fiscal year ended June 30, 2002 the District received and used \$154,046 of federal donated commodities.

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

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

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), which is defined as jointly governed organization. Additional information concerning the jointly governed organization 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:

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 1: Summary of Significant Accounting Policies - continued

Governmental funds are used to account for the District's general government activities. 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 60 days after year end. Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which are levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Under the modified accrual basis of accounting, receivables that will not be collected within the available period have also been reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payment to be made early in the following year. Compensated absences are reported as a fund liability when payment will require use of current available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the government funds. Governmental funds include the following fund types:

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 1: Summary of Significant Accounting Policies - continued

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.

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:

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 1: Summary of Significant Accounting Policies - continued

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.

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 fair value, which is based on the quoted market price; except for nonparticipating investment contracts.

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.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

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 and are stated at the lower of cost or market.

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, 2002

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 employment separation 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:

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, nonexpendable endowment fund contributions, debt service, and property taxes. The reserve for property taxes represents accrued tax revenue not available for appropriation according to Ohio law.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 1: Summary of Significant Accounting Policies - continued

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, 2002, the reserve activity was as follows:

| | Textbook and Instructional Material Reserve | Capital Improvement and Maintenance Reserve | Total |
|-------------------------|--|--|----------------------------|
| Balance 7/1/01 | \$ 0 | \$ 0 | \$ 0 |
| Required Set-Aside | 1,017,350 | 1,017,350 | 2,034,700 |
| Offset Credits | 0 | 0 | 0 |
| Qualifying Expenditures | <u>(1,771,665)</u> | <u>(1,017,350)</u> | <u>(2,789,015)</u> |
| Balance 6/30/02 | \$ <u>(754,315)</u> | \$ <u>0</u> | \$ <u>(754,315)</u> |

Expenditures for capital activity during the year was \$1,432,347, which exceeds the required set-aside. However, the extra amount may not be used in future years to reduce the set-aside requirement.

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 and certain other criteria are met. 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. Actual results could differ from those estimates.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 1: Summary of Significant Accounting Policies - continued

New Accounting Pronouncements:

In June of 1999 GASBS No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, was issued. GASBS No 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 No. 34 and believes the effect will be material. The District will adopt GASBS No. 34 for the fiscal year ending June 30, 2003.

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 funds.

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, 2002

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, 2001 encumbered fund balances. However, those fund balances are available for appropriation. 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 appropriation. 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, 2002

Note 2: Stewardship, Compliance and Accountability - continued

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**

| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> |
|----------------------------------|----------------------------|------------------------------|--------------------------|-----------------------------|
| GAAP Basis | \$ 2,489,783 | \$ (724,430) | \$ 190,840 | \$ (302,237) |
| Net Adjustments for Revenue | | | | |
| Accruals | 1,148,366 | (51,663) | 17,287 | (43,536) |
| Net Adjustments for Expenditure | | | | |
| Accruals | 644 | (202,478) | 0 | (40,206) |
| Net Adjustments for Encumbrances | <u>(769,637)</u> | <u>(768,798)</u> | <u>0</u> | <u>(104,644)</u> |
| Budget Basis | \$ <u>2,869,156</u> | \$ <u>(1,747,369)</u> | \$ <u>208,127</u> | \$ <u>(490,623)</u> |

Fund Deficit:

At June 30, 2002, the disadvantaged pupil impact aid fund and the preschool handicapped fund; special revenue fund types, had deficit fund balances of \$169,463 and \$1,299, respectively. The deficits were 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.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 2: Stewardship, Compliance and Accountability - continued

Legal Compliance:

Contrary to Section 5705.41B, Ohio Revised Code, the following funds had expenditures plus encumbrances in excess of appropriations at June 30, 2002.

| <u>Fund</u> | <u>Appropriations</u> | <u>Expenditures Plus Encumbrances</u> | <u>Excess</u> |
|-----------------------------------|-----------------------|---|---------------|
| Special Revenue: | | | |
| Athletics Fund | \$ 187,870 | \$ 196,746 | \$ (8,876) |
| Auxiliary Services Fund | 1,059,839 | 1,368,772 | (308,933) |
| Education Management | | | |
| Information Systems Fund | 30,810 | 58,327 | (27,517) |
| Ohio Reads Grant Fund | 220,500 | 324,683 | (104,183) |
| Alternative School Grant Fund | 271,283 | 463,714 | (192,431) |
| ABLE Fund | 79,508 | 215,687 | (136,179) |
| Adult Basic Education Fund | 154,480 | 171,406 | (16,926) |
| Title VI B Special Education Fund | 944,013 | 977,316 | (33,303) |
| Title I Fund | 2,231,177 | 2,790,952 | (559,775) |
| Title VI Fund | 50,017 | 89,360 | (39,343) |
| Drug-Free School Grant Fund | 71,046 | 94,543 | (23,497) |
| Continuous Improvement Grant | | | |
| Fund | 17,603 | 143,177 | (125,574) |
| Other Federal Grants Fund | 603,171 | 764,129 | (160,958) |
| Capital Projects: | | | |
| Permanent Improvement Fund | 554,930 | 955,922 | (400,992) |
| School Net Plus Fund | 300,000 | 342,785 | (42,785) |
| Internal Service: | | | |
| Self-Insurance Fund | 5,173,439 | 5,684,618 | (511,179) |

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, 2002

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.

Interim 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 issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

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.

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. 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.

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, 2002

Note 3: Deposits and Investments - continued

Deposits: At year end, the carrying amount of the District's deposits was \$(889,165), which includes \$2,275 of petty cash, and the Bank balance was \$868,226. The deficit was caused by the District's use of a money market account. Of the bank balance, \$206,641 was covered by FDIC and the remainder, \$661,585, was collateralized by the banks with securities held by the pledging financial institutions' trust departments with pooled securities held in the District's name or the name of its agent. All State statutory requirements for the investment of money had been followed, noncompliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

Investments: The District's investments are categorized below to give an indication of the level of custodial credit 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 2</u> | <u>Category 3</u> | <u>Fair Value</u> |
|---------------------------------|----------------------------|-----------------------------|-----------------------------|
| Categorized Investments: | | | |
| Money Market | | \$ 10,082,578 | \$ 10,082,578 |
| Federal National Mortgage Notes | \$ 2,980,553 | | 2,980,553 |
| Federal Home Loan Discount Note | 4,475,913 | | 4,475,913 |
| Repurchase Agreement | <u>215,000</u> | <u> </u> | <u>215,000</u> |
| Total Categorized Investments | 7,671,466 | 10,082,578 | 17,754,044 |
| Noncategorized Investment: | | | |
| STAR Ohio | <u> </u> | <u> </u> | <u>5,367,053</u> |
| Total | <u>\$ 7,671,466</u> | <u>\$ 10,082,578</u> | <u>\$ 23,121,097</u> |

STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

Investments are carried at their fair value as required by GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The aggregate cost of investments is \$17,706,837 and they had an unrealized gain of \$47,207 for a total fair value of \$17,754,044.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 3: Deposits and Investments - continued

Investment income from all sources is as follows:

| | |
|---|-------------------|
| Interest | \$ 730,717 |
| Unrealized gain (net increase in the fair value of investments) | <u>47,207</u> |
| Total investment income | \$ <u>777,924</u> |

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 2002, the District contributed \$217,564.

Note 5: Interfund Transactions

Individual due from other funds and due to other fund balances as of June 30, 2002 are as follows:

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 5: Interfund Transactions - continued

| | Due From Other Funds | Due To Other Funds |
|--------------------------|---------------------------------|-------------------------------|
| General Fund | \$ 0 | \$ 657,294 |
| Special Revenue Funds: | | |
| Title I | 0 | 24,647 |
| Title VI-B | 0 | 8,863 |
| Handicapped Preschool | 0 | 845 |
| Reduced Class Size | 0 | 8,180 |
| Alternative School Grant | 0 | 2,865 |
| Auxiliary Services | 0 | 1,433 |
| DPIA | 0 | 30,370 |
| Serve America | 0 | 4,572 |
| Enterprise Funds: | | |
| Food Service | 0 | 11,824 |
| Internal Service Fund: | | |
| Self Insurance | <u>750,893</u> | <u>0</u> |
| TOTAL | <u>\$ 750,893</u> | <u>\$ 750,893</u> |

During fiscal year 2002, the transfers in did not equal the transfers out by the amount of the agency fund transfers.

Note 6: Fixed Assets

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

| | June 30, 2001 Balance | Additions | Reductions | June 30, 2002 Balance |
|--------------------------------------|----------------------------------|----------------------------|--------------------|----------------------------------|
| Land | \$ 521,276 | \$ 0 | \$ 0 | \$ 521,276 |
| Building and Improvements | 36,055,426 | 281,382 | 0 | 36,336,808 |
| Furniture, Fixtures and Equipment | 9,765,535 | 1,495,645 | 0 | 11,261,180 |
| Vehicles | 375,082 | 0 | 0 | 375,082 |
| Textbooks and Library Books | <u>5,759,553</u> | <u>0</u> | <u>0</u> | <u>5,759,553</u> |
| | <u>\$ 52,476,872</u> | <u>\$ 1,777,027</u> | <u>\$ 0</u> | <u>\$ 54,253,899</u> |

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

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 cost of \$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, 2002 is as follows:

| | |
|-----------------------------------|--------------------------|
| Furniture, Fixtures and Equipment | \$ 484,207 |
| Less Accumulated Depreciation | (333,550) |
| Net Fixed Assets | <u>\$ 150,657</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, 2002, were as follows:

| | |
|--|--------------------------|
| Year Ending June 30, | |
| 2003 | \$ 66,229 |
| 2004 | 52,080 |
| 2005 | 52,080 |
| 2006 | <u>26,040</u> |
| Total Minimum Lease Payments | 196,429 |
| Less: Amount Representing Interest | <u>(26,757)</u> |
| Present Value of Minimum Lease Payments | <u>\$ 169,672</u> |

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

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, 2002, including interest payments, are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|--|----------------------------|--------------------------|----------------------------|
| 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>\$ 1,360,000</u> | <u>\$ 174,123</u> | <u>\$ 1,534,123</u> |

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

| | Balance at June 30, 2001 | Additions | Reductions | Balance at June 30, 2002 |
|---|-------------------------------------|--------------------------|--------------------------|-------------------------------------|
| General Obligation Bonds: | | | | |
| Library Construction Bonds, Series 1992, varying interest rates | \$ 1,660,000 | \$ 0 | \$ 300,000 | \$ 1,360,000 |
| Capital Leases | 57,741 | 158,258 | 46,327 | 169,672 |
| Compensated Absences and Retirement | 4,850,883 | <u>62,956</u> | _____ | 4,913,839 |
| Grand Total | <u>\$ 6,568,624</u> | <u>\$ 221,214</u> | <u>\$ 346,327</u> | <u>\$ 6,443,511</u> |

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.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

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 Lorain County Auditor is responsible for assessing and remitting these property taxes to the District. The Lorain County 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 Lorain Auditor reappraises real property every six years, which was last completed for 2000. 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.

The District receives property taxes from Lorain County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2002, was \$3,050,382 and is recognized as revenue.

Since the Lorain County Auditor 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, 2002

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, 2002 were based, are as follows:

| | 2001 Assessed Values | 2002 Assessed Values |
|---------------------------------|---------------------------------|---------------------------------|
| Real Property: | | |
| Residential/Agriculture | \$ 523,584,800 | \$ 524,403,510 |
| Commercial and Industrial | 227,864,250 | 229,355,430 |
| Public Utility | 0 | 143,920 |
| Tangible Property: | | |
| Personal Property | 158,244,650 | 156,666,730 |
| Public Utility | <u>45,315,950</u> | <u>33,609,340</u> |
| Total Assessed Valuation | <u>\$ 955,009,650</u> | <u>\$ 944,178,930</u> |

Note 10: Defined Benefit Pension Plans

A. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001 and 2000 were \$5,942,922, \$6,364,702 and \$6,102,250, respectively; 86% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000. \$796,908 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 10: Defined Benefit Pension Plans - continued

B. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (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. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215, or by calling (614) 222-5853.

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 for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001 and 2000 were \$2,085,328, \$1,529,488, and \$1,204,414, respectively; 68% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000. \$672,084, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, all members of the Board of Education have elected social security. The Board's liability is 6.2% of wages paid.

Note 11: Post Employment Benefits

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

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 11: Post Employment Benefits - continued

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. Through June 30, 2002, the Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$1,910,225 during fiscal 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.256 billion at June 30, 2001 (the most current information available). For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service 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.

For this fiscal year, employer contributions to fund health care benefits were 9.80% of covered payroll, an increase from 8.45% for fiscal year 2001. 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 year 2001, the minimum pay was established at \$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.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2001 (the most current information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$1,637,867 during the 2002 fiscal year.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

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 2002 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 District did not reduce their limit of liability in the current year.

The Board President and the Superintendent are covered with surety bonds for \$50,000 with Westfield Ohio Farmers. The Treasurer is covered by a surety bond in the amount of \$50,000. This bond is with Ohio Farmers 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, 2002

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 Advanced PCS, which administers the prescription plan.

The claims liability of \$703,344 reported in the self-insurance fund at June 30, 2002 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 |
|------|--|--------------------------------|---------------------------|-----------------------------------|
| 2000 | \$ 713,712 | \$ 3,613,079 | \$ 3,645,122 | \$ 681,669 |
| 2001 | \$ 681,669 | \$ 4,180,931 | \$ 4,185,156 | \$ 677,444 |
| 2002 | \$ 677,444 | \$ 5,454,548 | \$ 5,428,648 | \$ 703,344 |

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

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.

| | <u>Food Services</u> | <u>Uniform School Supplies</u> | <u>Rotary</u> | <u>Total</u> |
|--|---------------------------------|---|----------------------|---------------------|
| Operating Revenues | \$ 1,060,818 | \$ 264,137 | \$ 5,240 | \$ 1,330,195 |
| Operating Expenses, less depreciation | 2,445,072 | 237,308 | 4,374 | 2,686,754 |
| Depreciation | 6,919 | 0 | 0 | 6,919 |
| Operating Income/Loss | (1,391,173) | 26,829 | 866 | (1,363,478) |
| Operating Grants | 1,361,676 | 0 | 0 | 1,361,676 |
| Interest Income | 1,810 | 0 | 0 | 1,810 |
| Net Income/Loss | (27,687) | 26,829 | 866 | 8 |
| Net Working Capital | 59,489 | 376,485 | 1,157 | 437,131 |
| Total Assets | 442,898 | 401,646 | 1,157 | 845,701 |
| Total Equity | \$ 210,146 | \$ 376,485 | \$ 1,157 | \$ 587,788 |

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 14: Contingencies

A. Grants

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

B. Litigation

The District is not party to any claims or lawsuits that would have a material effect on the general purpose financial statements.

Note 15: 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 supporting 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 distributions 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.

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. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

Elyria City School District
Notes to General Purpose Financial Statements
Fiscal Year Ended June 30, 2002

Note 15: State School Funding Decision - continued

Currently, 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, 2002, the School District received \$23,232,193 of school foundation support for its general fund.

**COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND
SCHEDULES**

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) Fund- 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.

Textbooks & 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.

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

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

Extended Learning 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.

Continuous Improvement & Reduced Class Size Fund- This fund accounts for Federal monies which target improvement in the teacher student ratio in the classroom.

Other State & Federal Grants Fund- This fund accounts for other small miscellaneous grants.

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Elyria City School District

Combining Balance Sheet

All Special Revenue Funds

June 30, 2002

| | <u>Public School Support</u> | <u>Local Grants</u> | <u>Venture Capital</u> | <u>Athletics</u> |
|---|----------------------------------|-------------------------|----------------------------|-------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$233,274 | \$57,490 | \$599 | \$136,726 |
| Intergovernmental Receivable | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$233,274</u> | <u>\$57,490</u> | <u>\$599</u> | <u>\$136,726</u> |
| Liabilities | | | | |
| Accounts and Contracts Payable | \$0 | \$0 | \$0 | \$0 |
| Accrued Wages and Benefits | 0 | 0 | 0 | 0 |
| Intergovernmental Payable | 5,019 | 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>5,019</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Equity | | | | |
| Fund Balance (Deficit): | | | | |
| Reserved for Encumbrances | 33,032 | 1,770 | 0 | 8,523 |
| Unreserved, Undesignated | 195,223 | 55,720 | 599 | 128,203 |
| Total Fund Equity | <u>228,255</u> | <u>57,490</u> | <u>599</u> | <u>136,726</u> |
| Total Liabilities and Fund Equity | <u>\$233,274</u> | <u>\$57,490</u> | <u>\$599</u> | <u>\$136,726</u> |

| <u>Auxiliary Services</u> | <u>Teacher Development</u> | <u>Management Information Systems</u> | <u>Public School Preschool</u> | <u>Disadvantaged Pupil Impact Aid</u> |
|-------------------------------|--------------------------------|---|------------------------------------|---|
| \$288,553 | \$6,089 | \$37,299 | \$8,301 | \$95,290 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>83,010</u> | <u>0</u> |
| <u>\$288,553</u> | <u>\$6,089</u> | <u>\$37,299</u> | <u>\$91,311</u> | <u>\$95,290</u> |
| \$64,637 | \$4,119 | \$7,787 | \$0 | \$0 |
| 11,001 | 0 | 0 | 0 | 230,247 |
| 0 | 0 | 0 | 0 | 4,136 |
| 0 | 0 | 0 | 83,010 | 0 |
| 0 | 0 | 0 | 7,787 | 0 |
| <u>1,433</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>30,370</u> |
| <u>77,071</u> | <u>4,119</u> | <u>7,787</u> | <u>90,797</u> | <u>264,753</u> |
| 225,058 | 785 | 24,716 | 0 | 1,600 |
| <u>(13,576)</u> | <u>1,185</u> | <u>4,796</u> | <u>514</u> | <u>(171,063)</u> |
| <u>211,482</u> | <u>1,970</u> | <u>29,512</u> | <u>514</u> | <u>(169,463)</u> |
| <u>\$288,553</u> | <u>\$6,089</u> | <u>\$37,299</u> | <u>\$91,311</u> | <u>\$95,290</u> |

(continued)

Elyria City School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2002

| | <u>Data Communication</u> | <u>Textbooks & Instructional Material Subsidy</u> | <u>Ohio Reads</u> | <u>Summer School</u> | <u>Alternative School</u> | <u>Extended Learning</u> |
|---|-------------------------------|---|------------------------|--------------------------|-------------------------------|------------------------------|
| Assets | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$61,035 | \$0 | \$73,270 | \$97,494 | \$88,696 | \$15,330 |
| Intergovernmental Receivable | 3,450 | 0 | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$64,485</u> | <u>\$0</u> | <u>\$73,270</u> | <u>\$97,494</u> | <u>\$88,696</u> | <u>\$15,330</u> |
| Liabilities | | | | | | |
| Accounts and Contracts Payable | \$0 | \$0 | \$41,829 | \$0 | \$12,275 | \$0 |
| Accrued Wages and Benefits | 0 | 0 | 0 | 0 | 19,905 | 0 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 | 2,229 | 0 |
| Deferred Revenue | 3,450 | 0 | 0 | 0 | 0 | 0 |
| Interfund Payables | 0 | 0 | 0 | 0 | 0 | 0 |
| Due to Other Funds | 0 | 0 | 0 | 0 | 2,865 | 0 |
| Total Liabilities | <u>3,450</u> | <u>0</u> | <u>41,829</u> | <u>0</u> | <u>37,274</u> | <u>0</u> |
| Fund Equity | | | | | | |
| Fund Balance (Deficit): | | | | | | |
| Reserved for Encumbrances | 427 | 0 | 7,830 | 0 | 7,985 | 0 |
| Unreserved, Undesignated | 60,608 | 0 | 23,611 | 97,494 | 43,437 | 15,330 |
| Total Fund Equity | <u>61,035</u> | <u>0</u> | <u>31,441</u> | <u>97,494</u> | <u>51,422</u> | <u>15,330</u> |
| Total Liabilities and Fund Equity | <u>\$64,485</u> | <u>\$0</u> | <u>\$73,270</u> | <u>\$97,494</u> | <u>\$88,696</u> | <u>\$15,330</u> |

| <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> |
|----------------------------------|-----------------------------|---|--------------------|-----------------|-----------------------------------|
| \$19,253 | \$40,326 | \$207,007 | \$599,508 | \$36,861 | \$15,412 |
| 5,952 | 34,511 | 81,301 | 497,014 | 28,634 | 15,596 |
| \$25,205 | \$74,837 | \$288,308 | \$1,096,522 | \$65,495 | \$31,008 |
| \$7,361 | \$0 | \$23,747 | \$86,984 | \$12,091 | \$2,911 |
| 121 | 0 | 66,103 | 186,743 | 0 | 0 |
| 0 | 0 | 2,173 | 15,581 | 0 | 0 |
| 0 | 34,511 | 1,440 | 206,929 | 9,878 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 8,863 | 24,647 | 0 | 0 |
| 7,482 | 34,511 | 102,326 | 520,884 | 21,969 | 2,911 |
| 0 | 4,153 | 16,983 | 118,467 | 14,838 | 0 |
| 17,723 | 36,173 | 168,999 | 457,171 | 28,688 | 28,097 |
| 17,723 | 40,326 | 185,982 | 575,638 | 43,526 | 28,097 |
| \$25,205 | \$74,837 | \$288,308 | \$1,096,522 | \$65,495 | \$31,008 |

(continued)

Elyria City School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2002

| | Preschool Handicapped Grant | Continuous Improvement & Reduced Class Size | Other State & Federal Grants | Totals | |
|---|-----------------------------------|--|---------------------------------------|--------------------|--------------------|
| | | | | 2002 | 2001 |
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$113 | \$31,178 | \$214,642 | \$2,363,746 | \$3,342,314 |
| Intergovernmental Receivable | 6,234 | 118,435 | 138,221 | 1,012,358 | 12,190 |
| Total Assets | \$6,347 | \$149,613 | \$352,863 | \$3,376,104 | \$3,354,504 |
| Liabilities | | | | | |
| Accounts and Contracts Payable | \$0 | \$0 | \$32,400 | \$296,141 | \$288,582 |
| Accrued Wages and Benefits | 6,397 | 56,819 | 31,757 | 609,093 | 477,024 |
| Intergovernmental Payable | 150 | 6,365 | 3,557 | 39,210 | 4,841 |
| Deferred Revenue | 0 | 35,682 | 138,221 | 513,121 | 12,190 |
| Interfund Payables | 254 | 35,578 | 536 | 44,155 | 0 |
| Due to Other Funds | 845 | 8,180 | 4,572 | 81,775 | 54,828 |
| Total Liabilities | 7,646 | 142,624 | 211,043 | 1,583,495 | 837,465 |
| Fund Equity | | | | | |
| Fund Balance (Deficit): | | | | | |
| Reserved for Encumbrances | 219 | 131 | 13,305 | 479,822 | 664,120 |
| Unreserved, Undesignated | (1,518) | 6,858 | 128,515 | 1,312,787 | 1,852,919 |
| Total Fund Equity | (1,299) | 6,989 | 141,820 | 1,792,609 | 2,517,039 |
| Total Liabilities and Fund Equity | \$6,347 | \$149,613 | \$352,863 | \$3,376,104 | \$3,354,504 |

Elyria City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended June 30, 2002

| | <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 | 76,364 | 0 | 0 | 117,128 |
| Intergovernmental | 0 | 0 | 0 | 0 |
| Other | 130,840 | 95,690 | 0 | 65,399 |
| Total Revenues | 207,204 | 95,690 | 0 | 182,527 |
| Expenditures | | | | |
| Current: | | | | |
| Regular and Special Instruction | 0 | 0 | 0 | 0 |
| Vocational and Other Instruction | 0 | 0 | 0 | 0 |
| Supporting Services: | | | | |
| Pupil Services | 0 | 4,487 | 0 | 0 |
| Instructional Staff | 0 | 0 | 12,955 | 0 |
| Administration | 0 | 0 | 0 | 0 |
| Business and Fiscal Services | 0 | 0 | 0 | 37,761 |
| 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 | 228,159 | 56,224 | 0 | 150,462 |
| Total Expenditures | 228,159 | 60,711 | 12,955 | 188,223 |
| Excess of Revenues Over (Under) Expenditures | (20,955) | 34,979 | (12,955) | (5,696) |
| Other Financing Sources (Uses) | | | | |
| Operating Transfers-In | 60,000 | 0 | 0 | 2,500 |
| Total Other Financing Sources (Uses) | 60,000 | 0 | 0 | 2,500 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 39,045 | 34,979 | (12,955) | (3,196) |
| Fund Balances (Deficit) | | | | |
| Beginning of Year | 189,210 | 22,511 | 13,554 | 139,922 |
| Fund Balances End of Year | \$228,255 | \$57,490 | \$599 | \$136,726 |

(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, 2002

| | <u>Auxiliary Services</u> | <u>Teacher Development</u> | <u>Management Information Systems</u> | <u>Public School Preschool</u> |
|--|-------------------------------|--------------------------------|---|------------------------------------|
| Revenues | | | | |
| Earnings on Investments | \$7,911 | \$0 | \$0 | \$0 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Intergovernmental | 1,053,139 | 0 | 30,810 | 91,311 |
| Other | 0 | 0 | 0 | 0 |
| Total Revenues | 1,061,050 | 0 | 30,810 | 91,311 |
| Expenditures | | | | |
| Current: | | | | |
| Regular and Special Instruction | 0 | 0 | 0 | 58,251 |
| Vocational and Other Instruction | 0 | 0 | 0 | 0 |
| Supporting Services: | | | | |
| Pupil Services | 0 | 0 | 0 | 0 |
| Instructional Staff | 0 | 23,408 | 0 | 26,998 |
| Administration | 0 | 0 | 0 | 7,175 |
| Business and Fiscal Services | 0 | 0 | 0 | 2,500 |
| Plant Operation and Maintenance | 0 | 0 | 0 | 0 |
| Pupil Transportation | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 35,041 | 0 |
| Community Service | 1,096,378 | 0 | 0 | 0 |
| Extracurricular | 0 | 0 | 0 | 0 |
| Total Expenditures | 1,096,378 | 23,408 | 35,041 | 94,924 |
| Excess of Revenues Over (Under) Expenditures | (35,328) | (23,408) | (4,231) | (3,613) |
| Other Financing Sources (Uses) | | | | |
| Operating Transfers-In | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (35,328) | (23,408) | (4,231) | (3,613) |
| Fund Balances (Deficit) | | | | |
| Beginning of Year | 246,810 | 25,378 | 33,743 | 4,127 |
| Fund Balances End of Year | \$211,482 | \$1,970 | \$29,512 | \$514 |

| <u>Disadvantaged Pupil Impact Aid</u> | <u>Data Communication</u> | <u>Textbooks & Instructional Material Subsidy</u> | <u>Ohio Reads</u> | <u>Summer School</u> | <u>Alternative School</u> | <u>Extended Learning</u> |
|---|-------------------------------|---|-----------------------|--------------------------|-------------------------------|------------------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1,757,435 | 75,592 | 0 | 220,500 | 15,600 | 271,283 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 1,757,435 | 75,592 | 0 | 220,500 | 15,600 | 271,283 | 0 |
| 1,263,611 | 0 | 401 | 95,555 | 0 | 167,506 | 80,745 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 233,653 | 0 | 0 | 0 | 0 | 26,327 | 0 |
| 107,513 | 0 | 0 | 115,105 | 0 | 110,179 | 0 |
| 118,680 | 0 | 0 | 0 | 0 | 107,775 | 3,810 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 52,239 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 76,557 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 860 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>1,723,457</u> | <u>76,557</u> | <u>401</u> | <u>210,660</u> | <u>0</u> | <u>464,886</u> | <u>84,555</u> |
| 33,978 | (965) | (401) | 9,840 | 15,600 | (193,603) | (84,555) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 33,978 | (965) | (401) | 9,840 | 15,600 | (193,603) | (84,555) |
| (203,441) | 62,000 | 401 | 21,601 | 81,894 | 245,025 | 99,885 |
| <u>(\$169,463)</u> | <u>\$61,035</u> | <u>\$0</u> | <u>\$31,441</u> | <u>\$97,494</u> | <u>\$51,422</u> | <u>\$15,330</u> |

(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, 2002

| | <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 | 160,432 | 50,203 | 1,023,874 | 2,521,262 |
| Other | 0 | 0 | 0 | 0 |
| Total Revenues | 160,432 | 50,203 | 1,023,874 | 2,521,262 |
| Expenditures | | | | |
| Current: | | | | |
| Regular and Special Instruction | 0 | 0 | 92,515 | 1,814,708 |
| Vocational and Other Instruction | 69,470 | 0 | 0 | 0 |
| Supporting Services: | | | | |
| Pupil Services | 0 | 0 | 188,610 | 0 |
| Instructional Staff | 93,182 | 31,450 | 576,296 | 666,398 |
| Administration | 8,244 | 0 | 64,059 | 127,417 |
| Business and Fiscal Services | 0 | 0 | 0 | 0 |
| Plant Operation and Maintenance | 2,000 | 0 | 0 | 0 |
| Pupil Transportation | 0 | 0 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| Community Service | 0 | 1,460 | 59,848 | 24,659 |
| Extracurricular | 0 | 0 | 0 | 0 |
| Total Expenditures | 172,896 | 32,910 | 981,328 | 2,633,182 |
| Excess of Revenues Over (Under) Expenditures | (12,464) | 17,293 | 42,546 | (111,920) |
| Other Financing Sources (Uses) | | | | |
| Operating Transfers-In | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 0 | 0 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (12,464) | 17,293 | 42,546 | (111,920) |
| Fund Balances (Deficit) Beginning of Year | 30,187 | 23,033 | 143,436 | 687,558 |
| Fund Balances End of Year | \$17,723 | \$40,326 | \$185,982 | \$575,638 |

| Title VI | Drug-Free School Grant | Preschool Handicapped Grant | Continuous Improvement & Reduced Class Size | Other State & Federal Grants | Totals | |
|-----------------|---------------------------|-----------------------------------|--|---------------------------------------|--------------------|--------------------|
| | | | | | 2002 | 2001 |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$7,911 | \$9,944 |
| 0 | 0 | 0 | 0 | 0 | 193,492 | 201,580 |
| 68,773 | 86,642 | 62,337 | 307,312 | 689,452 | 8,485,957 | 8,069,543 |
| 0 | 0 | 0 | 0 | 0 | 291,929 | 263,099 |
| 68,773 | 86,642 | 62,337 | 307,312 | 689,452 | 8,979,289 | 8,544,166 |
| 5,224 | 518 | 0 | 425,941 | 272,339 | 4,277,314 | 4,116,016 |
| 0 | 0 | 0 | 0 | 0 | 69,470 | 104,399 |
| 0 | 95,136 | 0 | 0 | 660,362 | 1,208,575 | 1,018,045 |
| 45,235 | 0 | 21,187 | 21,318 | 34,538 | 1,885,762 | 1,388,949 |
| 6 | 0 | 46,253 | 0 | 0 | 483,419 | 420,662 |
| 0 | 0 | 0 | 0 | 0 | 40,261 | 43,662 |
| 0 | 0 | 0 | 0 | 0 | 54,239 | 25,877 |
| 0 | 905 | 0 | 0 | 0 | 905 | 812 |
| 0 | 0 | 0 | 0 | 0 | 111,598 | 132,358 |
| 16,228 | 398 | 0 | 0 | 0 | 1,199,831 | 1,111,996 |
| 0 | 0 | 0 | 0 | 0 | 434,845 | 394,582 |
| 66,693 | 96,957 | 67,440 | 447,259 | 967,239 | 9,766,219 | 8,757,358 |
| 2,080 | (10,315) | (5,103) | (139,947) | (277,787) | (786,930) | (213,192) |
| 0 | 0 | 0 | 0 | 0 | 62,500 | 0 |
| 0 | 0 | 0 | 0 | 0 | 62,500 | 0 |
| 2,080 | (10,315) | (5,103) | (139,947) | (277,787) | (724,430) | (213,192) |
| 41,446 | 38,412 | 3,804 | 146,936 | 419,607 | 2,517,039 | 2,730,231 |
| \$43,526 | \$28,097 | (\$1,299) | \$6,989 | \$141,820 | \$1,792,609 | \$2,517,039 |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|---|---------------------------|-------------------------|--------------------------|---|-------------------|
| Revenues | | | | | |
| Extracurricular Activities | \$76,364 | \$76,364 | | \$76,364 | \$0 |
| Other | 190,840 | 190,840 | | 190,840 | 0 |
| Total Revenues | 267,204 | 267,204 | | 267,204 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Extracurricular | 261,021 | 223,140 | \$37,881 | 261,021 | 0 |
| Total Expenditures | 261,021 | 223,140 | 37,881 | 261,021 | 0 |
| Excess of Revenues Over (Under) Expenditures | 6,183 | 44,064 | <u>(\$37,881)</u> | <u>\$6,183</u> | <u>\$0</u> |
| Fund Balance Beginning of Year | 189,211 | 189,211 | | | |
| Fund Balance End of Year | <u>\$195,394</u> | <u>\$233,275</u> | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Other | \$95,690 | \$95,690 | | \$95,690 | \$0 |
| Total Revenues | 95,690 | 95,690 | | 95,690 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Pupil Services | 4,486 | 4,486 | | 4,486 | 0 |
| Extracurricular | 57,993 | 56,224 | \$1,769 | 57,993 | 0 |
| Total Expenditures | 62,479 | 60,710 | 1,769 | 62,479 | 0 |
| Excess of Revenues Over (Under) Expenditures | 33,211 | 34,980 | (\$1,769) | \$33,211 | \$0 |
| Fund Balance Beginning of Year | 22,512 | 22,512 | | | |
| Fund Balance End of Year | \$55,723 | \$57,492 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Intergovernmental | \$0 | \$0 | | \$0 | \$0 |
| Total Revenues | 0 | 0 | | 0 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Instructional Staff | 12,954 | 12,954 | \$0 | 12,954 | 0 |
| Total Expenditures | 12,954 | 12,954 | 0 | 12,954 | 0 |
| Excess of Revenues Over (Under) Expenditures | (12,954) | (12,954) | \$0 | (\$12,954) | \$0 |
| Fund Balance Beginning of Year | 13,552 | 13,552 | | | |
| Fund Balance End of Year | \$598 | \$598 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|------------------|---------------------|---|-------------------|
| Revenues | | | | | |
| Extracurricular | \$136,377 | \$133,534 | | \$133,534 | (\$2,843) |
| Other | 51,493 | 51,493 | | 51,493 | 0 |
| Total Revenues | 187,870 | 185,027 | | 185,027 | (2,843) |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Business and Fiscal Services | 37,761 | 37,761 | | 37,761 | 0 |
| Extracurricular | 150,109 | 150,462 | \$8,523 | 158,985 | (8,876) |
| Total Expenditures | 187,870 | 188,223 | 8,523 | 196,746 | (8,876) |
| Excess of Revenues Over (Under) Expenditures | 0 | (3,196) | (\$8,523) | (\$11,719) | (\$11,719) |
| Fund Balance Beginning of Year | 139,923 | 139,923 | | | |
| Fund Balance End of Year | \$139,923 | \$136,727 | | | |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|---|---------------------------|------------------|---------------------|---|------------------|
| Revenues | | | | | |
| Earnings on Investments | \$7,911 | \$7,911 | | \$7,911 | \$0 |
| Intergovernmental | 1,053,140 | 1,053,140 | | 1,053,140 | 0 |
| Total Revenues | 1,061,051 | 1,061,051 | | 1,061,051 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Community Services | 1,059,839 | 1,079,496 | \$289,276 | 1,368,772 | (308,933) |
| Total Expenditures | 1,059,839 | 1,079,496 | 289,276 | 1,368,772 | (308,933) |
| Excess of Revenues Over (Under) Expenditures | 1,212 | (18,445) | (289,276) | (307,721) | (308,933) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 1,212 | 1,212 | 0 | 1,212 | 0 |
| Operating Transfers Out | (1,212) | (1,212) | 0 | (1,212) | 0 |
| Total Other Financing (Uses) | 0 | 0 | 0 | 0 | 0 |
| Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Use: | 1,212 | (18,445) | (289,276) | (307,721) | (308,933) |
| Fund Balances Beginning of Year | 306,999 | 306,999 | | | |
| Fund Balances End of Year | \$308,211 | \$288,554 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------------|-------------------------|---|-------------------|
| Revenues | | | | | |
| Intergovernmental | \$0 | \$0 | | \$0 | \$0 |
| Total Revenues | 0 | 0 | | 0 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Instructional Staff | 23,433 | 19,289 | \$4,144 | 23,433 | 0 |
| Total Expenditures | 23,433 | 19,289 | 4,144 | 23,433 | 0 |
| Excess of Revenues Over (Under) Expenditures | (23,433) | (19,289) | <u>(\$4,144)</u> | <u>(\$23,433)</u> | <u>\$0</u> |
| Fund Balance Beginning of Year | 25,379 | 25,379 | | | |
| Fund Balance End of Year | <u>\$1,946</u> | <u>\$6,090</u> | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|------------------------|--------------------------|---|--------------------------|
| Revenues | | | | | |
| Intergovernmental | \$30,810 | \$30,810 | | \$30,810 | \$0 |
| Total Revenues | 30,810 | 30,810 | | 30,810 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Central | 30,810 | 27,254 | \$31,073 | 58,327 | (27,517) |
| Total Expenditures | 30,810 | 27,254 | 31,073 | 58,327 | (27,517) |
| Excess of Revenues Over (Under) Expenditures | 0 | 3,556 | <u>(\$31,073)</u> | <u>(\$27,517)</u> | <u>(\$27,517)</u> |
| Fund Balance Beginning of Year | 33,742 | 33,742 | | | |
| Fund Balance End of Year | <u>\$33,742</u> | <u>\$37,298</u> | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|----------------|---------------------|---|------------------|
| Revenues | | | | | |
| Intergovernmental | \$94,924 | \$91,311 | | \$91,311 | (\$3,613) |
| Total Revenues | 94,924 | 91,311 | | 91,311 | (3,613) |
| Expenditures | | | | | |
| Current: | | | | | |
| Special Instruction | 57,983 | 57,983 | | 57,983 | 0 |
| Supporting Services: | | | | | |
| Instructional Staff | 26,998 | 26,998 | | 26,998 | 0 |
| Administration | 7,175 | 7,175 | | 7,175 | 0 |
| Business and Fiscal | 2,768 | 2,768 | \$0 | 2,768 | 0 |
| Total Expenditures | 94,924 | 94,924 | 0 | 94,924 | 0 |
| Excess of Revenues Over (Under) Expenditures | 0 | (3,613) | 0 | (3,613) | (3,613) |
| Other Financing Sources (Uses) | | | | | |
| Advances In | 7,787 | 7,787 | 0 | 7,787 | 0 |
| Total Other Financing (Uses) | 7,787 | 7,787 | 0 | 7,787 | 0 |
| Excess of Revenues Over (Under) Expenditures | 7,787 | 4,174 | \$0 | \$4,174 | (\$3,613) |
| Fund Balance Beginning of Year | 4,127 | 4,127 | | | |
| Fund Balance End of Year | \$11,914 | \$8,301 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|------------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Intergovernmental | \$1,757,435 | \$1,757,435 | | \$1,757,435 | \$0 |
| Total Revenues | 1,757,435 | 1,757,435 | | 1,757,435 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 1,244,098 | 1,244,098 | | 1,244,098 | 0 |
| Support Services: | | | | | |
| Pupil Services | 226,867 | 226,867 | | 226,867 | 0 |
| Instructional Staff | 116,865 | 116,865 | | 116,865 | 0 |
| Administration | 115,420 | 113,820 | \$1,600 | 115,420 | 0 |
| Total Expenditures | 1,703,250 | 1,701,650 | 1,600 | 1,703,250 | 0 |
| Excess of Revenues Over (Under) Expenditures | 54,185 | 55,785 | (\$1,600) | \$54,185 | \$0 |
| Fund Balance Beginning of Year | 39,500 | 39,500 | | | |
| Fund Balance End of Year | \$93,685 | \$95,285 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|------------------|
| Revenues | | | | | |
| Intergovernmental | \$76,984 | \$75,592 | | \$75,592 | (\$1,392) |
| Total Revenues | 76,984 | 75,592 | | 75,592 | (1,392) |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Central | 76,984 | 76,557 | \$427 | 76,984 | 0 |
| Total Expenditures | 76,984 | 76,557 | 427 | 76,984 | 0 |
| Excess of Revenues Over (Under) Expenditures | 0 | (965) | (\$427) | (\$1,392) | (\$1,392) |
| Fund Balance Beginning of Year | 62,000 | 62,000 | | | |
| Fund Balance End of Year | \$62,000 | \$61,035 | | | |

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Textbooks & Instructional Material Subsidy Fund
For the Fiscal Year Ended June 30, 2002

| | <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 | 8,678 | 8,678 | \$0 | 8,678 | 0 |
| Total Expenditures | 8,678 | 8,678 | 0 | 8,678 | 0 |
| Excess of Revenues (Under) Expenditures | (8,678) | (8,678) | \$0 | (\$8,678) | \$0 |
| Fund Balance Beginning of Year | 8,678 | 8,678 | | | |
| Fund Balance End of Year | \$0 | \$0 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Intergovernmental | \$220,500 | \$220,500 | | \$220,500 | \$0 |
| Total Revenues | 220,500 | 220,500 | | 220,500 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Special Instruction | 216,397 | 166,738 | \$49,659 | 216,397 | 0 |
| Supporting Services: Instructional Staff | 4,103 | 108,286 | 0 | 108,286 | (104,183) |
| Total Expenditures | 220,500 | 275,024 | 49,659 | 324,683 | (104,183) |
| Excess of Revenues Over (Under) Expenditures | 0 | (54,524) | (\$49,659) | (\$104,183) | (\$104,183) |
| Fund Balance Beginning of Year | 127,794 | 127,794 | | | |
| Fund Balance End of Year | \$127,794 | \$73,270 | | | |

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Summer School Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Intergovernmental | \$15,600 | \$15,600 | | \$15,600 | \$0 |
| Total Revenues | 15,600 | 15,600 | | 15,600 | 0 |
| Excess of Revenues Over Expenditures | 15,600 | 15,600 | \$0 | \$15,600 | \$0 |
| Fund Balance Beginning of Year | 81,402 | 81,402 | | | |
| Fund Balance End of Year | \$97,002 | \$97,002 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|--|---------------------------|------------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Intergovernmental | \$271,283 | \$271,283 | | \$271,283 | \$0 |
| Total Revenues | 271,283 | 271,283 | | 271,283 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 176,640 | 158,288 | \$18,352 | 176,640 | 0 |
| Supporting Services | | | | | |
| Pupil Services | 23,909 | 23,909 | 0 | 23,909 | 0 |
| Instructional Staff | 12,286 | 102,786 | 1,500 | 104,286 | (92,000) |
| Administration | 5,099 | 105,530 | 0 | 105,530 | (100,431) |
| Operation and Maintenance | 53,349 | 53,099 | 250 | 53,349 | 0 |
| Total Expenditures | 271,283 | 443,612 | 20,102 | 463,714 | (192,431) |
| Excess of Revenues (Under) Expenditures | 0 | (172,329) | (\$20,102) | (\$192,431) | (\$192,431) |
| Fund Balance Beginning of Year | 261,517 | 261,517 | | | |
| Fund Balance End of Year | \$261,517 | \$89,188 | | | |

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Extended Learning Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Intergovernmental | \$0 | \$0 | | \$0 | \$0 |
| Total Revenues | 0 | 0 | | 0 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Special Instruction | 80,745 | 80,745 | | 80,745 | 0 |
| Supporting Services | | | | | |
| Administration | 3,810 | 3,810 | \$0 | 3,810 | 0 |
| Total Expenditures | 84,555 | 84,555 | 0 | 84,555 | 0 |
| Excess of Revenues Over (Under) Expenditures | (84,555) | (84,555) | \$0 | (\$84,555) | \$0 |
| Fund Balance Beginning of Year | 99,885 | 99,885 | | | |
| Fund Balance End of Year | \$15,330 | \$15,330 | | | |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|--|---------------------------|------------------|---------------------|---|------------------|
| Revenues | | | | | |
| Intergovernmental | \$78,972 | \$78,972 | | \$78,972 | \$0 |
| Total Revenues | 78,972 | 78,972 | | 78,972 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Pupil Services | 67,272 | 196,179 | \$7,272 | 203,451 | (136,179) |
| Instructional Staff | 12,236 | 12,236 | 0 | 12,236 | 0 |
| Total Expenditures | 79,508 | 208,415 | 7,272 | 215,687 | (136,179) |
| Excess of Revenues (Under) Expenditures | (536) | (129,443) | (7,272) | (136,715) | 136,179 |
| Other Financing Sources (Uses) | | | | | |
| Advances In | 536 | 536 | 0 | 536 | 0 |
| Total Other Financing (Uses) | 536 | 536 | 0 | 536 | 0 |
| Excess Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses | 0 | (128,907) | (\$7,272) | (\$136,179) | \$136,179 |
| Fund Balances Beginning of Year | 155,844 | 155,844 | | | |
| Fund Balances End of Year | \$155,844 | \$26,937 | | | |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|---|---------------------------|-----------------|---------------------|---|-------------------|
| Revenues | | | | | |
| Intergovernmental | \$154,480 | \$154,480 | | \$154,480 | \$0 |
| Total Revenues | 154,480 | 154,480 | | 154,480 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Vocational, Adult/Other Instruction | 72,965 | 71,390 | \$1,575 | 72,965 | 0 |
| Supporting Services: | | | | | |
| Instructional Staff | 76,344 | 92,125 | 1,145 | 93,270 | (16,926) |
| Administration | 3,171 | 3,171 | 0 | 3,171 | 0 |
| Operation and Maintenance | 2,000 | 2,000 | 0 | 2,000 | 0 |
| Total Expenditures | 154,480 | 168,686 | 2,720 | 171,406 | (16,926) |
| Excess of Revenues (Under) Expenditures | 0 | (14,206) | (2,720) | (16,926) | (16,926) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 24,612 | 24,612 | 0 | 24,612 | 0 |
| Operating Transfers Out | (24,612) | (24,612) | 0 | (24,612) | 0 |
| Total Other Financing (Uses) | 0 | 0 | 0 | 0 | 0 |
| Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 0 | (14,206) | (\$2,720) | (\$16,926) | (\$16,926) |
| Fund Balance Beginning of Year | 33,460 | 33,460 | | | |
| Fund Balance End of Year | \$33,460 | \$19,254 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|--|---------------------------|-----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Intergovernmental | \$50,203 | \$50,203 | | \$50,203 | \$0 |
| Total Revenues | 50,203 | 50,203 | | 50,203 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Support Services: | | | | | |
| Instruction Staff | 37,063 | 32,910 | \$4,153 | 37,063 | 0 |
| Total Expenditures | 37,063 | 32,910 | 4,153 | 37,063 | 0 |
| Excess of Revenues (Under) Expenditures | 13,140 | 17,293 | (4,153) | \$13,140 | \$0 |
| Fund Balance Beginning of Year | 23,032 | 23,032 | | | |
| Fund Balance End of Year | \$36,172 | \$40,325 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|------------------|---------------------|---|-------------------|
| Revenues | | | | | |
| Intergovernmental | \$944,013 | \$944,013 | | \$944,013 | \$0 |
| Total Revenues | 944,013 | 944,013 | | 944,013 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Special Instruction | 108,829 | 73,318 | \$35,511 | 108,829 | 0 |
| Supporting Services: | | | | | |
| Pupil Services | 181,738 | 176,849 | 4,889 | 181,738 | 0 |
| Instructional Staff | 527,568 | 560,631 | 240 | 560,871 | (33,303) |
| Administration | 63,593 | 63,503 | 90 | 63,593 | 0 |
| Community Services | 62,285 | 62,285 | 0 | 62,285 | 0 |
| Total Expenditures | 944,013 | 936,586 | 40,730 | 977,316 | (33,303) |
| Excess of Revenues Over (Under) Expenditures | 0 | 7,427 | (\$40,730) | (\$33,303) | (\$33,303) |
| Fund Balance Beginning of Year | 199,580 | 199,580 | | | |
| Fund Balance End of Year | \$199,580 | \$207,007 | | | |

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Title I Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|------------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Intergovernmental | \$2,231,177 | \$2,231,177 | | \$2,231,177 | \$0 |
| Total Revenues | 2,231,177 | 2,231,177 | | 2,231,177 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Special Instruction | 1,348,941 | 1,760,204 | 148,512 | 1,908,716 | (559,775) |
| Supporting Services: | | | | | |
| Instructional Staff | 717,408 | 678,102 | 39,306 | 717,408 | 0 |
| Administration | 139,993 | 113,602 | 26,391 | 139,993 | 0 |
| Community Services | 24,835 | 24,388 | 447 | 24,835 | 0 |
| Total Expenditures | 2,231,177 | 2,576,296 | 214,656 | 2,790,952 | (559,775) |
| Excess of Revenues Over (Under) Expenditures | 0 | (345,119) | (214,656) | (559,775) | (559,775) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 368,332 | 368,332 | 0 | 368,332 | 0 |
| Operating Transfers Out | (368,332) | (368,332) | 0 | (368,332) | 0 |
| Total Other Financing (Uses) | 0 | 0 | 0 | 0 | 0 |
| Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | \$0 | (345,119) | (\$214,656) | (\$559,775) | (\$559,775) |
| Fund Balance Beginning of Year | 944,627 | 944,627 | | | |
| Fund Balance End of Year | \$944,627 | \$599,508 | | | |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|---|---------------------------|-----------------|---------------------|---|-------------------|
| Revenues | | | | | |
| Intergovernmental | \$50,017 | \$50,017 | | \$50,017 | \$0 |
| Total Revenues | 50,017 | 50,017 | | 50,017 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 1,901 | 1,901 | | 1,901 | 0 |
| Special Instruction | 3,323 | 3,323 | | 3,323 | 0 |
| Supporting Services: | | | | | |
| Instructional Staff | 28,151 | 40,980 | \$26,514 | 67,494 | (39,343) |
| Community Services | 16,642 | 16,228 | 414 | 16,642 | 0 |
| Total Expenditures | 50,017 | 62,432 | 26,928 | 89,360 | (39,343) |
| Excess of Revenues Over (Under) Expenditures | 0 | (12,415) | (26,928) | (39,343) | (39,343) |
| 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 |
| Total Other Financing (Uses) | 0 | 0 | 0 | 0 | 0 |
| Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 0 | (12,415) | (\$26,928) | (\$39,343) | (\$39,343) |
| Fund Balance Beginning of Year | 49,276 | 49,276 | | | |
| Fund Balance End of Year | \$49,276 | \$36,861 | | | |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|---|---------------------------|-----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Intergovernmental | \$71,046 | \$71,046 | | \$71,046 | \$0 |
| Total Revenues | 71,046 | 71,046 | | 71,046 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Pupil Services | 69,743 | 92,742 | \$498 | 93,240 | (23,497) |
| Pupil Transportation | 1,303 | 1,303 | 0 | 1,303 | 0 |
| Total Expenditures | 71,046 | 94,045 | 498 | 94,543 | (23,497) |
| Excess of Revenues Over (Under) Expenditures | 0 | (22,999) | (\$498) | (\$23,497) | \$23,497 |
| Fund Balance Beginning of Year | 38,410 | 38,410 | | | |
| Fund Balance End of Year | \$38,410 | \$15,411 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|------------------|
| Revenues | | | | | |
| Intergovernmental | \$58,129 | \$56,103 | | \$56,103 | (\$2,026) |
| Total Revenues | 58,129 | 56,103 | | 56,103 | (2,026) |
| Expenditures | | | | | |
| Current: | | | | | |
| Supporting Services: | | | | | |
| Instructional Staff | 27,384 | 27,165 | \$219 | 27,384 | 0 |
| Administration | 40,006 | 40,006 | 0 | 40,006 | 0 |
| Total Expenditures | 67,390 | 67,171 | 219 | 67,390 | 0 |
| Excess of Revenues Over (Under) Expenditures | (9,261) | (11,068) | (219) | (11,287) | (2,026) |
| Other Financing Sources (Uses) | | | | | |
| Advances In | 254 | 254 | 0 | 254 | 0 |
| Total Other Financing (Uses) | 254 | 254 | 0 | 254 | 0 |
| Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (9,007) | (10,814) | (\$219) | (\$11,033) | (\$2,026) |
| Fund Balance Beginning of Year | 10,927 | 10,927 | | | |
| Fund Balance End of Year | \$1,920 | \$113 | | | |

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, 2002

| | Revised Budget | Actual | Encumbrances | Actual Plus Encumbrances | Variance |
|---|---------------------------|------------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Intergovernmental | \$17,603 | \$17,603 | | \$17,603 | \$0 |
| Total Revenues | 17,603 | 17,603 | | 17,603 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 0 | 38,493 | \$7,080 | 45,573 | (45,573) |
| Special Instruction | 0 | 66,601 | 0 | 66,601 | (66,601) |
| Supporting Services: Instructional Staff | 17,603 | 31,003 | 0 | 31,003 | (13,400) |
| Total Expenditures | 17,603 | 136,097 | 7,080 | 143,177 | (125,574) |
| Excess of Revenues Over (Under) Expenditures | 0 | (118,494) | (\$7,080) | (\$125,574) | (\$125,574) |
| Fund Balance Beginning of Year | 149,672 | 149,672 | | | |
| Fund Balance End of Year | \$149,672 | \$31,178 | | | |

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Reduced Class Size Grant Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Intergovernmental | \$206,956 | \$206,956 | | \$206,956 | \$0 |
| Total Revenues | 206,956 | 206,956 | | 206,956 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Special Instruction | 242,534 | 242,534 | \$0 | 242,534 | 0 |
| Total Expenditures | 242,534 | 242,534 | 0 | 242,534 | 0 |
| Excess of Revenues Over (Under) Expenditures | (35,578) | (35,578) | 0 | (35,578) | 0 |
| Other Financing Sources (Uses) | | | | | |
| Advances In | 35,578 | 35,578 | 0 | 35,578 | 0 |
| Total Other Financing (Uses) | 35,578 | 35,578 | 0 | 35,578 | 0 |
| Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 0 | 0 | \$0 | \$0 | \$0 |
| Fund Balance Beginning of Year | 0 | 0 | | | |
| Fund Balance End of Year | \$0 | \$0 | | | |

Elyria City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Basis)
Other State & Federal Grants Fund
For the Fiscal Year Ended June 30, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|--|---------------------------|------------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Intergovernmental | \$610,480 | \$610,480 | | \$610,480 | \$0 |
| Total Revenues | 610,480 | 610,480 | | 610,480 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Special Instruction | 281,537 | 281,537 | | 281,537 | 0 |
| Supporting Services: | | | | | |
| Pupil Services | 297,865 | 439,424 | \$19,399 | 458,823 | (160,958) |
| Instructional Staff | 23,769 | 23,080 | 689 | 23,769 | 0 |
| Total Expenditures | 603,171 | 744,041 | 20,088 | 764,129 | (160,958) |
| Excess of Revenues (Under) Expenditures | 7,309 | (133,561) | (\$20,088) | (\$153,649) | (\$160,958) |
| Fund Balance Beginning of Year | 321,266 | 321,266 | | | |
| Fund Balance End of Year | \$328,575 | \$187,705 | | | |

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 & Building 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.

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, 2002

| | Permanent Improvement & Building | School Net Plus |
|---|---|--------------------------------|
| Assets | | |
| Equity in Pooled Cash and Cash Equivalents | \$2,289,033 | \$132,134 |
| Accounts Receivable | 12,000 | 0 |
| Accrued Interest Receivable | <u>51,570</u> | <u>0</u> |
| Total Assets | <u><u>\$2,352,603</u></u> | <u><u>\$132,134</u></u> |
| Liabilities | | |
| Accounts and Contracts Payable | \$19,129 | \$0 |
| Deferred Revenue | <u>51,570</u> | <u>0</u> |
| Total Liabilities | <u>70,699</u> | <u>0</u> |
| Fund Equity | | |
| Fund Balance: | | |
| Reserved for Encumbrances | 81,725 | 3,790 |
| Unreserved, Undesignated | <u>2,200,179</u> | <u>128,344</u> |
| Total Fund Equity | <u>2,281,904</u> | <u>132,134</u> |
| Total Liabilities and Fund Equity | <u><u>\$2,352,603</u></u> | <u><u>\$132,134</u></u> |

| School Net Power-Up | Totals | |
|--------------------------------|--------------------|--------------------|
| | 2002 | 2001 |
| \$1 | \$2,421,168 | \$2,763,611 |
| 0 | 12,000 | 0 |
| 0 | 51,570 | 35,778 |
| \$1 | \$2,484,738 | \$2,799,389 |
| \$0 | \$19,129 | \$47,335 |
| 0 | 51,570 | 35,778 |
| 0 | 70,699 | 83,113 |
| 0 | 85,515 | 167,533 |
| 1 | 2,328,524 | 2,548,743 |
| 1 | 2,414,039 | 2,716,276 |
| \$1 | \$2,484,738 | \$2,799,389 |

Elyria City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Year Ended June 30, 2002

| | <u>Permanent Improvement & Building</u> | <u>School Net Plus</u> |
|---|---|--------------------------------|
| Revenues | | |
| Earnings on Investments | \$493,741 | \$0 |
| Intergovernmental | 0 | 129,678 |
| Other | <u>0</u> | <u>0</u> |
| Total Revenues | 493,741 | 129,678 |
| Expenditures | | |
| Current: | | |
| Regular and Special Instruction | 209,520 | 0 |
| Supporting Services: | | |
| Central | 174,991 | 304,423 |
| Capital Outlay | <u>464,923</u> | <u>0</u> |
| Total Expenditures | <u>849,434</u> | <u>304,423</u> |
| Excess of Revenues Over (Under) | | |
| Expenditures | (355,693) | (174,745) |
| Other Financing Sources (Uses) | | |
| Operating Transfer-In | 228,201 | 0 |
| Operating Transfer-Out | <u>0</u> | <u>0</u> |
| Total Other Financing Sources | <u>228,201</u> | <u>0</u> |
| Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses | (127,492) | (174,745) |
| Fund Balances | | |
| Beginning of Year | <u>2,409,396</u> | <u>306,879</u> |
| Fund Balances End of Year | <u><u>\$2,281,904</u></u> | <u><u>\$132,134</u></u> |

| School Net Power-Up | Totals | |
|--------------------------------|---------------------------|---------------------------|
| | 2002 | 2001 |
| \$0 | \$493,741 | \$631,231 |
| 45,070 | 174,748 | 304,086 |
| <u>0</u> | <u>0</u> | <u>125,492</u> |
| 45,070 | 668,489 | 1,060,809 |
| 0 | 209,520 | 203,992 |
| 0 | 479,414 | 277,438 |
| <u>0</u> | <u>464,923</u> | <u>962,386</u> |
| 0 | 1,153,857 | 1,443,816 |
| 45,070 | (485,368) | (383,007) |
| 0 | 228,201 | 0 |
| <u>(45,070)</u> | <u>(45,070)</u> | <u>0</u> |
| (45,070) | 183,131 | 0 |
| 0 | (302,237) | (383,007) |
| <u>1</u> | <u>2,716,276</u> | <u>3,099,283</u> |
| <u>\$1</u> | <u>\$2,414,039</u> | <u>\$2,716,276</u> |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|--------------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Earnings on Investments | \$497,051 | \$450,205 | | \$450,205 | (\$46,846) |
| Total Revenues | 497,051 | 450,205 | | 450,205 | (46,846) |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 200,000 | 209,520 | \$62,460 | 271,980 | (71,980) |
| Supporting Services: | | | | | |
| Central | 170,000 | 174,991 | 0 | 174,991 | (4,991) |
| Capital Outlay | 184,930 | 470,557 | 38,394 | 508,951 | (324,021) |
| Total Expenditures | 554,930 | 855,068 | 100,854 | 955,922 | (400,992) |
| Excess of Revenues Over (Under) Expenditures | (57,879) | (404,863) | (100,854) | (505,717) | (447,838) |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers In | 228,201 | 228,201 | 0 | 228,201 | 0 |
| Total Other Financing Sources | 228,201 | 228,201 | 0 | 228,201 | 0 |
| Excess of Revenues Over (Under) Expenditures | 170,322 | (176,662) | (\$100,854) | (\$277,516) | (\$447,838) |
| Fund Balance Beginning of Year | 2,422,157 | 2,422,157 | | | |
| Fund Balance End of Year | \$2,592,479 | \$2,245,495 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|------------------|---------------------|---|-------------------|
| Revenues | | | | | |
| Intergovernmental | \$129,678 | \$129,678 | | \$129,678 | \$0 |
| Total Revenues | 129,678 | 129,678 | | 129,678 | 0 |
| Expenditures | | | | | |
| Current: | | | | | |
| Regular Instruction | 0 | 0 | \$2,200 | 2,200 | (2,200) |
| Supporting Services: | | | | | |
| Central | 300,000 | 338,995 | 1,590 | 340,585 | (40,585) |
| Total Expenditures | 300,000 | 338,995 | 3,790 | 342,785 | (42,785) |
| Excess of Revenues Over (Under) Expenditures | (170,322) | (209,317) | (\$3,790) | (\$213,107) | (\$42,785) |
| Fund Balance Beginning of Year | 341,454 | 341,454 | | | |
| Fund Balance End of Year | \$171,132 | \$132,137 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Intergovernmental | \$45,070 | \$45,070 | | \$45,070 | \$0 |
| Total Revenues | 45,070 | 45,070 | | 45,070 | 0 |
| Total Expenditures | 0 | 0 | \$0 | 0 | 0 |
| Excess of Revenues Over (Under) Expenditures | 45,070 | 45,070 | 0 | 45,070 | 0 |
| Other Financing Sources (Uses) | | | | | |
| Operating Transfers Out | (45,070) | (45,070) | 0 | (45,070) | 0 |
| Total Other Financing (Uses) | (45,070) | (45,070) | 0 | (45,070) | 0 |
| Excess of Revenues (Under) Expenditures | 0 | 0 | \$0 | \$0 | \$0 |
| Fund Balance Beginning of Year | 0 | 0 | | | |
| Fund Balance End of Year | \$0 | \$0 | | | |

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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, expenses 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, 2002

| | <u>Lunchroom/ Cafeteria</u> | <u>Uniform School Supplies</u> | <u>Rotary</u> | <u>Totals</u> | |
|---|---------------------------------|--|-----------------------|-------------------------|-------------------------|
| | | | | <u>2002</u> | <u>2001</u> |
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$67,175 | \$395,734 | \$1,157 | \$464,066 | \$435,249 |
| Receivables: | | | | | |
| Accounts | 0 | 5,912 | 0 | 5,912 | 4,000 |
| Intergovernmental | 185,940 | 0 | 0 | 185,940 | 179,762 |
| Materials and Supplies | | | | | |
| Inventory | 39,126 | 0 | 0 | 39,126 | 54,349 |
| Fixed Assets (Net of Accumulated Depreciation) | 150,657 | 0 | 0 | 150,657 | 155,054 |
| Total Assets | <u>\$442,898</u> | <u>\$401,646</u> | <u>\$1,157</u> | <u>\$845,701</u> | <u>\$828,414</u> |
| Liabilities | | | | | |
| Accounts and Contracts Payable | \$8,532 | \$25,161 | \$0 | \$33,693 | \$26,069 |
| Accrued Wages and Benefits | 126,738 | 0 | 0 | 126,738 | 121,994 |
| Intergovernmental Payable | 59,458 | 0 | 0 | 59,458 | 54,270 |
| Deferred Revenue | 26,200 | 0 | 0 | 26,200 | 38,301 |
| Due to Other Funds | 11,824 | 0 | 0 | 11,824 | 0 |
| Total Liabilities | <u>232,752</u> | <u>25,161</u> | <u>0</u> | <u>257,913</u> | <u>240,634</u> |
| Fund Equity | | | | | |
| Retained Earnings - Unreserved | 210,146 | 376,485 | 1,157 | 587,788 | 587,780 |
| Total Fund Equity | <u>210,146</u> | <u>376,485</u> | <u>1,157</u> | <u>587,788</u> | <u>587,780</u> |
| Total Liabilities and Fund Equity | <u>\$442,898</u> | <u>\$401,646</u> | <u>\$1,157</u> | <u>\$845,701</u> | <u>\$828,414</u> |

Elyria City School District
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
All Enterprise Funds
For the Year Ended June 30, 2002

| | Lunchroom/ Cafeteria | Uniform School Supplies | Rotary | Totals | |
|--|---------------------------------|--|----------------|--------------------|--------------------|
| | | | | 2002 | 2001 |
| Operating Revenues | | | | | |
| Food Services | \$878,878 | \$0 | \$0 | \$878,878 | \$955,611 |
| Classroom Materials and Fees | 181,940 | 264,137 | 4,000 | 450,077 | 256,266 |
| Other | 0 | 0 | 1,240 | 1,240 | 5,140 |
| Total Operating Revenues | 1,060,818 | 264,137 | 5,240 | 1,330,195 | 1,217,017 |
| Operating Expenses | | | | | |
| Salaries and Wages | 746,011 | 0 | 0 | 746,011 | 759,410 |
| Employees' Retirement and Insurance | 307,695 | 0 | 0 | 307,695 | 263,331 |
| Purchased Services | 1,156,108 | 0 | 2,467 | 1,158,575 | 1,166,042 |
| Supplies and Materials | 232,736 | 237,128 | 1,907 | 471,771 | 402,928 |
| Depreciation | 6,919 | 0 | 0 | 6,919 | 3,828 |
| Other | 2,522 | 180 | 0 | 2,702 | 0 |
| Total Operating Expenses | 2,451,991 | 237,308 | 4,374 | 2,693,673 | 2,595,539 |
| Operating Income (Loss) | (1,391,173) | 26,829 | 866 | (1,363,478) | (1,378,522) |
| Non-Operating Revenues | | | | | |
| Intergovernmental | 1,207,630 | 0 | 0 | 1,207,630 | 1,304,551 |
| Earnings on Investments | 1,810 | 0 | 0 | 1,810 | 0 |
| Donated Commodities | 154,046 | 0 | 0 | 154,046 | 109,154 |
| Total Non-Operating Revenues | 1,363,486 | 0 | 0 | 1,363,486 | 1,413,705 |
| Net Income (Loss) | (27,687) | 26,829 | 866 | 8 | 35,183 |
| Retained Earnings Beginning of Year | 237,833 | 349,656 | 291 | 587,780 | 552,597 |
| Retained Earnings End of Year | \$210,146 | \$376,485 | \$1,157 | \$587,788 | \$587,780 |

Elyria City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended June 30, 2002

| | <u>Lunchroom/ Cafeteria</u> | <u>Uniform School Supplies</u> | <u>Rotary</u> | <u>Totals</u> | |
|--|---------------------------------|--|-----------------------|-------------------------|-------------------------|
| | | | | <u>2002</u> | <u>2001</u> |
| Cash Flows From | | | | | |
| Operating Activities: | | | | | |
| Operating Income (Loss) | (\$1,391,173) | \$26,829 | \$866 | (\$1,363,478) | (\$1,378,522) |
| Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities: | | | | | |
| Depreciation | 6,919 | 0 | 0 | 6,919 | 3,828 |
| (Increase) Decrease In Assets: | | | | | |
| Accounts Receivable | 4,000 | (5,912) | 0 | (1,912) | 505 |
| Intergovernmental Receivable | (6,178) | 0 | 0 | (6,178) | 5,574 |
| Inventories | 15,223 | 0 | 0 | 15,223 | (19,595) |
| Increase (Decrease) In Liabilities: | | | | | |
| Accounts and Contracts Payable | (487) | 8,111 | 0 | 7,624 | (44,330) |
| Accrued Wages and Benefits | 4,744 | 0 | 0 | 4,744 | (10,907) |
| Intergovernmental Payable | 5,188 | 0 | 0 | 5,188 | 54,270 |
| Due to Other Funds | 11,824 | 0 | 0 | 11,824 | 0 |
| Deferred Revenue | (12,101) | 0 | 0 | (12,101) | 16,617 |
| Total Adjustments | <u>29,132</u> | <u>2,199</u> | <u>0</u> | <u>31,331</u> | <u>5,962</u> |
| Net Cash Provided By (Used In) Operating Activities | (1,362,041) | 29,028 | 866 | (1,332,147) | (1,372,560) |
| Cash Flows From Non-Capital Financing Activities: | | | | | |
| Intergovernmental | 1,361,676 | 0 | 0 | 1,361,676 | 1,413,705 |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Purchase of Fixed Assets | <u>(2,522)</u> | <u>0</u> | <u>0</u> | <u>(2,522)</u> | <u>(14,247)</u> |
| Cash Flows From Investing Activities: | | | | | |
| Earnings on Investments | <u>1,810</u> | <u>0</u> | <u>0</u> | <u>1,810</u> | <u>0</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,077) | 29,028 | 866 | 28,817 | 26,898 |
| Cash and Cash Equivalents, Beginning of Year | <u>68,252</u> | <u>366,706</u> | <u>291</u> | <u>435,249</u> | <u>408,351</u> |
| Cash and Cash Equivalents, Ending of Year | <u>\$67,175</u> | <u>\$395,734</u> | <u>\$1,157</u> | <u>\$464,066</u> | <u>\$435,249</u> |

Noncash Non-Capital Financing Activities

During fiscal year ended June 30, 2002 the District received and used \$154,046 of federal donated commodities.

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|------------------|---------------------|---|-------------------|
| Revenues | | | | | |
| Food Services | \$900,000 | \$878,878 | | \$878,878 | (\$21,122) |
| Earnings on Investments | 2,000 | 1,811 | | 1,811 | (189) |
| Intergovernmental | 1,434,145 | 1,387,392 | | 1,387,392 | (46,753) |
| Total Revenues | 2,336,145 | 2,268,081 | | 2,268,081 | (68,064) |
| Expenses | | | | | |
| Salaries | 744,863 | 744,860 | | 744,860 | 3 |
| Fringe Benefits | 287,090 | 287,090 | | 287,090 | 0 |
| Purchased Services | 1,193,572 | 1,163,595 | \$2,077 | 1,165,672 | 27,900 |
| Materials and Supplies | 107,120 | 71,090 | 21,737 | 92,827 | 14,293 |
| Capital Outlay | 3,500 | 2,522 | 69 | 2,591 | 909 |
| Total Expenses | 2,336,145 | 2,269,157 | 23,883 | 2,293,040 | 43,105 |
| Excess of Revenues Over (Under) Expenses | 0 | (\$1,076) | (\$23,883) | (\$24,959) | (\$24,959) |
| Fund Equity Beginning of Year | 68,254 | 68,254 | | | |
| Fund Equity End of Year | \$68,254 | \$67,178 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|------------------|---------------------|---|-------------------|
| Revenues | | | | | |
| Classroom Materials and Fees | \$305,655 | \$258,225 | | \$258,225 | (\$47,430) |
| Total Revenues | 305,655 | 258,225 | | 258,225 | (47,430) |
| Expenses | | | | | |
| Materials and Supplies | 304,855 | 229,017 | \$44,383 | 273,400 | 31,455 |
| Capital Outlay | 800 | 180 | 526 | 706 | 94 |
| Total Expenses | 305,655 | 229,197 | 44,909 | 274,106 | 31,549 |
| Excess of Revenues Over (Under) Expenses | 0 | 29,028 | (\$44,909) | (\$15,881) | (\$15,881) |
| Fund Equity Beginning of Year | 366,705 | 366,705 | | | |
| Fund Equity End of Year | \$366,705 | \$395,733 | | | |

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, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|----------------|---------------------|---|-----------------|
| Revenues | | | | | |
| Other | \$5,500 | \$5,240 | | \$5,240 | (\$260) |
| Total Revenues | 5,500 | 5,240 | | 5,240 | (260) |
| Expenses | | | | | |
| Purchased Services | 2,472 | 2,467 | | 2,467 | 5 |
| Materials and Supplies | 2,960 | 1,907 | \$0 | 1,907 | 1,053 |
| Total Expenses | 5,432 | 4,374 | 0 | 4,374 | 1,058 |
| Excess of Revenues Over (Under) Expenses | 68 | 866 | \$0 | \$866 | \$798 |
| Fund Equity Beginning of Year | 290 | 290 | | | |
| Fund Equity End of Year | \$358 | \$1,156 | | | |

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 Service 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, 2002

| | <u>Self-Insurance</u> | <u>Internal Service Rotary</u> | <u>Totals</u> | |
|--|---------------------------|------------------------------------|---------------------------|---------------------------|
| | | | <u>2002</u> | <u>2001</u> |
| Assets | | | | |
| Equity in Pooled Cash and Cash | | | | |
| Equivalents | \$4,123,080 | \$54,827 | \$4,177,907 | \$4,790,954 |
| Accounts Receivable | 6,220 | 0 | 6,220 | 6,043 |
| Accrued Interest Receivable | 543 | 0 | 543 | 71,394 |
| Due From Other Funds | 750,893 | 0 | 750,893 | 648,073 |
| Total Assets | <u>\$4,880,736</u> | <u>\$54,827</u> | <u>\$4,935,563</u> | <u>\$5,516,464</u> |
| Liabilities | | | | |
| Accounts and Contracts Payable | \$0 | \$2,596 | \$2,596 | \$0 |
| Claims Payable | 703,344 | 0 | 703,344 | 677,444 |
| Deferred Revenue | 750,893 | 0 | 750,893 | 648,073 |
| Total Liabilities | <u>1,454,237</u> | <u>2,596</u> | <u>1,456,833</u> | <u>1,325,517</u> |
| Fund Equity | | | | |
| Retained Earnings - Unreserved | 3,426,499 | 52,231 | 3,478,730 | 4,190,947 |
| Total Fund Equity | <u>3,426,499</u> | <u>52,231</u> | <u>3,478,730</u> | <u>4,190,947</u> |
| Total Liabilities and Fund Equity | <u>\$4,880,736</u> | <u>\$54,827</u> | <u>\$4,935,563</u> | <u>\$5,516,464</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, 2002

| | <u>Self-Insurance</u> | <u>Internal Service Rotary</u> | <u>Totals</u> | |
|--------------------------------------|-----------------------|------------------------------------|--------------------|--------------------|
| | | | <u>2002</u> | <u>2001</u> |
| Operating Revenues | | | | |
| Charges for Services | \$4,847,462 | \$29,924 | \$4,877,386 | \$4,646,822 |
| Other | 0 | 28,075 | 28,075 | 27,060 |
| Total Operating Revenues | 4,847,462 | 57,999 | 4,905,461 | 4,673,882 |
| Operating Expenses | | | | |
| Salaries and Wages | 0 | 1,348 | 1,348 | 1,010 |
| Employees' Retirement and Insurance | 0 | 123 | 123 | 0 |
| Purchased Services | 255,970 | 4,150 | 260,120 | 714,916 |
| Claims | 5,454,548 | 0 | 5,454,548 | 4,180,931 |
| Supplies and Materials | 0 | 6,138 | 6,138 | 2,156 |
| Other | 0 | 13,880 | 13,880 | 15,632 |
| Total Operating Expenses | 5,710,518 | 25,639 | 5,736,157 | 4,914,645 |
| Operating Income (Loss) | (863,056) | 32,360 | (830,696) | (240,763) |
| Non-Operating Revenues | | | | |
| Earnings on Investments | 118,479 | 0 | 118,479 | 339,969 |
| Total Non-Operating Revenues | 118,479 | 0 | 118,479 | 339,969 |
| Net Income | (744,577) | 32,360 | (712,217) | 99,206 |
| Retained Earnings | | | | |
| Beginning of Year | 4,171,076 | 19,871 | 4,190,947 | 4,091,741 |
| Retained Earnings End of Year | \$3,426,499 | \$52,231 | \$3,478,730 | \$4,190,947 |

Elyria City School District
Combining Statement of Cash Flows
All Internal Services Funds
For the Year Ended June 30, 2002

| | Self-Insurance | Internal Services Rotary | Totals | |
|--|-----------------------|-------------------------------------|--------------------|--------------------|
| | | | 2002 | 2001 |
| Cash Flows From | | | | |
| Operating Activities: | | | | |
| Operating Income (Loss) | (\$863,056) | \$32,360 | (\$830,696) | (\$240,763) |
| Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities: | | | | |
| (Increase) Decrease In Assets: | | | | |
| Accounts Receivable | (177) | 0 | (177) | (6,043) |
| Interest Receivable | 70,851 | 0 | 70,851 | (22,194) |
| Due From Other Funds | (102,820) | 0 | (102,820) | 33,034 |
| Increase (Decrease) In Liabilities: | | | | |
| Accounts and Contracts Payable | 0 | 2,596 | 2,596 | (833) |
| Claims Payable | 25,900 | 0 | 25,900 | (4,225) |
| Deferred Revenue | 102,820 | 0 | 102,820 | (33,034) |
| Total Adjustments | 96,574 | 2,596 | 99,170 | (33,295) |
| Net Cash Provided By (Used In) Operating Activities | (766,482) | 34,956 | (731,526) | (274,058) |
| Cash Flows From Investing Activities: | | | | |
| Earnings On Investments | 118,479 | 0 | 118,479 | 339,969 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (648,003) | 34,956 | (613,047) | 65,911 |
| Cash and Cash Equivalents, Beginning of Year | 4,771,083 | 19,871 | 4,790,954 | 4,725,043 |
| Cash and Cash Equivalents, Ending of Year | \$4,123,080 | \$54,827 | \$4,177,907 | \$4,790,954 |

Elyria City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget and Actual (Non-GAAP Basis)
Self-Insurance Fund
For the Year Ended June 30, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|--|---------------------------|--------------------|---------------------|---|--------------------|
| Revenues | | | | | |
| Earnings on Investments | \$237,000 | \$136,459 | | \$136,459 | (\$100,541) |
| Self-Insurance Premiums | 4,901,769 | \$4,896,485 | | 4,896,485 | (5,284) |
| Total Revenues | 5,138,769 | 5,032,944 | | 5,032,944 | (105,825) |
| Expenses | | | | | |
| Purchased Services | 852,815 | 933,414 | | 933,414 | (80,599) |
| Claims | 4,320,624 | 4,751,204 | 0 | 4,751,204 | (430,580) |
| Total Expenses | 5,173,439 | 5,684,618 | 0 | 5,684,618 | (511,179) |
| Excess of Revenues Over (Under) Expenses | (34,670) | (651,674) | 0 | (651,674) | (617,004) |
| Operating Transfers In | 231 | 231 | 0 | 231 | 0 |
| Operating Transfers Out | (231) | (231) | 0 | (231) | 0 |
| Excess of Revenues Over (Under) Expenses and Operating Transfers and Advances | (34,670) | (651,674) | \$0 | (\$651,674) | (\$617,004) |
| Fund Equity Beginning of Year | 4,771,084 | 4,771,084 | | | |
| Fund Equity End of Year | \$4,736,414 | \$4,119,410 | | | |

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 Year Ended June 30, 2002

| | <u>Revised Budget</u> | <u>Actual</u> | <u>Encumbrances</u> | <u>Actual Plus Encumbrances</u> | <u>Variance</u> |
|---|---------------------------|-----------------|---------------------|---|------------------|
| Revenues | | | | | |
| Extracurricular | \$15,000 | \$12,688 | | \$12,688 | (\$2,312) |
| Other | 46,000 | 45,311 | | 45,311 | (689) |
| Total Revenues | 61,000 | 57,999 | | 57,999 | (3,001) |
| Expenses | | | | | |
| Salaries | 1,400 | 1,348 | | 1,348 | 52 |
| Fringe Benefits | 130 | 123 | | 123 | 7 |
| Purchased Services | 2,800 | 2,766 | | 2,766 | 34 |
| Supplies and Materials | 8,000 | 4,926 | \$3,046 | 7,972 | 28 |
| Other | 14,000 | 13,880 | 0 | 13,880 | 120 |
| Total Expenses | 26,330 | 23,043 | 3,046 | 26,089 | 241 |
| Excess of Revenues Over (Under) Expenses | 34,670 | 34,956 | (\$3,046) | \$31,910 | (\$2,760) |
| Fund Equity Beginning of Year | 19,870 | 19,870 | | | |
| Fund Equity End of Year | \$54,540 | \$54,826 | | | |

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, 2002

| | Expendable Trust | Non-Expendable Trust | Agency | Totals | |
|--|-----------------------|-------------------------|-----------------------------|------------------|------------------|
| | Special Trust Fund | Endowment Fund | Student Activity Fund | 2002 | 2001 |
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$216,327 | \$0 | \$222,920 | \$439,247 | \$568,538 |
| Equity in Pooled Cash and Cash Equivalents-Non Expendable Trust | \$0 | \$7,967 | \$0 | \$7,967 | \$0 |
| Total Assets | \$0 | \$7,967 | \$0 | \$7,967 | \$0 |
| Liabilities | | | | | |
| Accounts and Contracts Payable | \$6,290 | \$0 | \$0 | \$6,290 | \$0 |
| Intergovernmental Payable | 0 | 0 | 3,270 | 3,270 | 0 |
| Due to Students | 0 | 0 | 219,650 | 219,650 | 317,318 |
| Total Liabilities | 6,290 | 0 | 222,920 | 229,210 | 317,318 |
| Fund Equity | | | | | |
| Fund Balance: | | | | | |
| Reserved for Encumbrances | 678 | 0 | 0 | 678 | 10,022 |
| Reserved for Endowments | 0 | 5,500 | 0 | 5,500 | 5,500 |
| Unreserved, Undesignated | 209,359 | 2,467 | 0 | 211,826 | 235,698 |
| Total Fund Equity | 210,037 | 7,967 | 0 | 218,004 | 251,220 |
| Total Liabilities and Fund Equity | \$216,327 | \$7,967 | \$222,920 | \$447,214 | \$568,538 |

Elyria City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Expendable Trust Fund
For the Year Ended June 30, 2002

| | Special Trust Fund | |
|--|---------------------------|------------------|
| | 2002 | 2001 |
| Revenues | | |
| Earnings on Investments | \$423 | \$532 |
| Contributions/Grants | 59,616 | 141,687 |
| Total Revenues | 60,039 | 142,219 |
| Expenditures | | |
| Current: | | |
| Regular and Special Instruction | 31,181 | 12,391 |
| Supporting Services: | | |
| Instructional Staff | 25,211 | 35,901 |
| Central | 172 | 34 |
| Community Services | 3,100 | 3,250 |
| Capital Outlay | 33,748 | 0 |
| Total Expenditures | 93,412 | 51,576 |
| Excess of Revenues Over Expenditures | (33,373) | 90,643 |
| Other Financing Sources (Uses) | | |
| Operating Transfer-In | 0 | 43 |
| Operating Transfer-Out | 0 | (88) |
| Total Other Financing (Uses) | 0 | (45) |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (33,373) | 90,598 |
| Fund Balance Beginning of Year | 243,410 | 152,812 |
| Fund Balance End of Year | \$210,037 | \$243,410 |

Elyria City School District
Combining Statement of Revenues, Expenses
and Changes in Fund Balance
Non-Expendable Trust Fund
For the Year Ended June 30, 2002

| | Endowment Fund | |
|-----------------------------------|-----------------------|----------------|
| | 2002 | 2001 |
| Operating Revenues | | |
| Earnings on Investments | \$157 | \$248 |
| Total Operating Revenues | 157 | 248 |
| Operating Expenses | | |
| Other | 0 | 1,500 |
| Total Operating Expenses | 0 | 1,500 |
| Net Income (Loss) | 157 | (1,252) |
| Fund Balance Beginning of Year | 7,810 | 9,062 |
| Fund Balance End of Year | \$7,967 | \$7,810 |

Elyria City School District
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2002

| | <u>Balance 6/30/01</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 6/30/02</u> |
|---|----------------------------|-------------------------|-------------------------|----------------------------|
| Student Activities Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$317,318 | \$222,920 | \$317,318 | \$222,920 |
| Total Assets | <u>\$317,318</u> | <u>\$222,920</u> | <u>\$317,318</u> | <u>\$222,920</u> |
| Liabilities | | | | |
| Intergovernmental Payable | \$0 | \$3,270 | \$0 | \$3,270 |
| Due to Students | 317,318 | 219,650 | 317,318 | 219,650 |
| Total Liabilities | <u>\$317,318</u> | <u>\$222,920</u> | <u>\$317,318</u> | <u>\$222,920</u> |

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, 2002 and 2001

| General Fixed Assets: | <u>2002</u> | <u>2001</u> |
|---|-----------------------------------|-----------------------------------|
| Land and Land Improvements | \$521,276 | \$521,276 |
| Buildings and Improvements | 36,336,808 | 36,055,426 |
| Furniture, Fixtures and Equipment | 11,261,180 | 9,765,535 |
| Vehicles | 375,082 | 375,082 |
| Textbooks and Library Books | <u>5,759,553</u> | <u>5,759,553</u> |
| Total General Fixed Assets | <u><u>\$54,253,899</u></u> | <u><u>\$52,476,872</u></u> |
| | | |
| Investment in General Fixed Assets by Source: | | |
| General Fund | \$7,140,588 | \$6,775,107 |
| Capital Projects Funds | 5,803,399 | 4,777,895 |
| Special Revenue Funds | 386,042 | 0 |
| 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>\$54,253,899</u></u> | <u><u>\$52,476,872</u></u> |

Elyria City School District
Schedule of General Fixed Assets by Function
June 30, 2002

| <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 | \$49,071,722 | \$521,276 | \$35,609,680 | \$7,181,213 | \$0 | \$5,759,553 |
| Support Services | 4,401,387 | 0 | 445,746 | 3,580,559 | 375,082 | 0 |
| Extracurricular Activities | 228,808 | 0 | 0 | 228,808 | 0 | 0 |
| Community Services | 139,606 | 0 | 0 | 139,606 | 0 | 0 |
| Facilities Acquisition and Construction | <u>412,376</u> | <u>0</u> | <u>281,382</u> | <u>130,994</u> | <u>0</u> | <u>0</u> |
| Total | <u><u>\$54,253,899</u></u> | <u><u>\$521,276</u></u> | <u><u>\$36,336,808</u></u> | <u><u>\$11,261,180</u></u> | <u><u>\$375,082</u></u> | <u><u>\$5,759,553</u></u> |

Elyria City School District
 Schedule of Changes in General Fixed Assets by Function
 For the fiscal Year Ended June 30, 2002

| <u>Function</u> | <u>General Fixed Assets 7/1/01</u> | <u>Additions</u> | <u>Deletions</u> | <u>General Fixed Assets 6/30/02</u> |
|--|--|---------------------------|-------------------|---|
| Instruction | \$48,424,533 | \$647,189 | \$0 | \$49,071,722 |
| Support Services | 3,803,225 | 598,162 | 0 | 4,401,387 |
| Extracurricular Activities | 228,808 | 0 | 0 | 228,808 |
| Community Services | 20,306 | 119,300 | 0 | 139,606 |
| Facilities Acquisition and Construction | <u>0</u> | <u>412,376</u> | <u>0</u> | <u>412,376</u> |
| Total | <u>\$52,476,872</u> | <u>\$1,777,027</u> | <u>\$0</u> | <u>\$54,253,899</u> |

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STATISTICAL SECTION

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

| | <u>June 30, 2002</u> | <u>June 30, 2001</u> | <u>June 30, 2000</u> | <u>June 30, 1999</u> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Revenues and Other Financing Sources | | | | |
| Taxes | \$29,655,884 | \$31,252,267 | \$29,774,804 | \$25,873,342 |
| Tuition | 1,638,535 | 1,918,851 | 771,872 | 421,849 |
| Earnings On Investments | 653,478 | 1,211,225 | 818,430 | 810,087 |
| Extracurricular Activities | 193,492 | 201,580 | 170,981 | 191,517 |
| Intergovernmental | 36,946,384 | 34,808,208 | 32,210,002 | 32,244,776 |
| Donations & Other | 481,182 | 1,139,690 | 803,013 | 695,969 |
| Operating Transfers In | 290,701 | 88 | 109,856 | 0 |
| Sale of Assets | 2,377 | 35,416 | 423,362 | 358,082 |
| Proceeds from Sale of Note | 0 | 0 | 0 | 0 |
| Inception of Capital Lease | 0 | 0 | 0 | 0 |
| Total | <u>\$69,862,033</u> | <u>\$70,567,325</u> | <u>\$65,082,320</u> | <u>\$60,595,622</u> |
| Expenditures and Other Financing Uses | | | | |
| Instructional | \$38,657,036 | \$38,081,756 | \$36,764,972 | \$33,480,478 |
| Supporting Services | 25,691,499 | 24,305,701 | 22,652,465 | 20,974,199 |
| Food Service | 193,843 | 194,063 | 211,121 | 171,808 |
| Community Services | 1,377,970 | 1,274,466 | 1,515,455 | 1,508,669 |
| Extracurricular Activities | 1,201,579 | 1,115,505 | 1,041,279 | 887,265 |
| Capital Outlay | 500,682 | 962,386 | 1,102,042 | 1,132,969 |
| Debt Service | 390,640 | 381,321 | 380,373 | 407,871 |
| Operating Transfers Out | 228,201 | 88 | 109,856 | 0 |
| Other Uses | 0 | 0 | 0 | 0 |
| Total | <u>\$68,241,450</u> | <u>\$66,315,286</u> | <u>\$63,777,563</u> | <u>\$58,563,259</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, 1998</u> | <u>June 30, 1997</u> | <u>June 30, 1996</u> | <u>June 30, 1995</u> | <u>June 30, 1994</u> | <u>June 30, 1993</u> |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| \$25,335,237 | \$25,856,102 | \$26,272,958 | \$17,920,621 | \$24,938,960 | \$30,477,220 |
| 1,709,960 | 1,300,909 | 1,716,624 | 647,956 | 2,134,241 | 1,109,519 |
| 629,061 | 675,819 | 472,356 | 346,693 | 176,420 | 169,636 |
| 206,711 | 257,420 | 272,531 | 991,616 | 0 | 239,787 |
| 27,106,823 | 26,438,516 | 26,728,734 | 19,881,197 | 25,780,128 | 25,791,672 |
| 1,028,563 | 1,140,705 | 599,854 | 355,836 | 625,010 | 574,680 |
| 4,376,573 | 1,239,088 | 946,227 | 340,810 | 658,622 | 409,619 |
| 22,298 | 4,005,931 | 174,692 | 8,133 | 22,862 | 0 |
| 1,500,000 | 0 | 0 | 0 | 0 | 0 |
| 322,461 | 0 | 0 | 0 | 0 | 0 |
| <u>\$62,237,687</u> | <u>\$60,914,490</u> | <u>\$57,183,976</u> | <u>\$40,492,862</u> | <u>\$54,336,243</u> | <u>\$58,772,133</u> |
| \$32,812,480 | \$31,783,307 | \$31,755,716 | \$30,202,691 | \$31,067,371 | \$29,189,825 |
| 18,264,616 | 18,563,071 | 18,165,843 | 18,552,774 | 17,254,565 | 18,149,575 |
| 184,869 | 124,451 | 202,765 | 181,333 | 0 | 0 |
| 2,644,204 | 2,889,580 | 1,108,362 | 1,190,184 | 343,450 | 68,697 |
| 833,673 | 935,497 | 933,963 | 961,497 | 870,406 | 898,948 |
| 736,488 | 1,506,794 | 196,616 | 233,374 | 3,891,462 | 2,582,553 |
| 392,068 | 372,225 | 413,485 | 371,722 | 376,196 | 153,776 |
| 4,376,573 | 1,239,088 | 2,421,705 | 1,673,932 | 801,754 | 537,369 |
| 41,336 | 0 | 20,616 | 8,757 | 20,067 | 0 |
| <u>\$60,286,307</u> | <u>\$57,414,013</u> | <u>\$55,219,071</u> | <u>\$53,376,264</u> | <u>\$54,625,271</u> | <u>\$51,580,743</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 |
|-----------------|------------------------|-----------------------|--------------------------------|----------------------------------|
| 2001 | 2002 | \$24,464,870 | \$23,683,286 | 96.8% |
| 2000 | 2001 | 24,150,777 | 23,505,881 | 97.3% |
| 1999 | 2000 | 24,134,465 | 23,417,468 | 97.0% |
| 1998 | 1999 | 20,804,376 | 20,242,177 | 97.3% |
| 1997 | 1998 | 20,678,051 | 20,433,935 | 98.8% |
| 1996 | 1997 | 20,130,549 | 19,674,024 | 97.7% |
| 1995 | 1996 | 20,229,917 | 19,868,112 | 98.2% |
| 1994 | 1995 | 20,320,773 | 19,791,897 | 97.4% |
| 1993 | 1994 | 19,785,242 | 19,270,936 | 97.4% |
| 1992 | 1993 | 19,533,779 | 19,043,683 | 97.5% |

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

| Delinquent Tax Collections | Total Tax Collections | Percent of Collections To Tax Levy | Outstanding Delinquent Taxes | Percent of Delinquent Taxes To Tax Levy |
|---|----------------------------------|---|---|--|
| \$591,915 | \$24,275,201 | 99.2% | \$429,412 | 1.8% |
| 607,448 | 24,113,329 | 99.8% | 998,726 | 4.1% |
| 665,700 | 24,083,168 | 99.8% | 1,048,366 | 4.3% |
| 496,193 | 20,738,370 | 99.7% | 841,979 | 4.0% |
| 447,839 | 20,881,774 | 101.0% | 431,958 | 2.1% |
| 470,432 | 20,144,456 | 100.1% | 647,927 | 3.2% |
| 555,740 | 20,423,852 | 101.0% | 632,419 | 3.1% |
| 589,923 | 20,381,820 | 100.3% | 849,912 | 4.2% |
| 523,282 | 19,794,218 | 100.0% | 959,106 | 4.8% |
| 432,903 | 19,476,586 | 99.7% | 921,336 | 4.7% |

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 |
| 2001 | 2002 | \$753,902,860 | \$2,154,008,171 | \$33,609,340 | \$38,192,432 |
| 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 |

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 |
| \$156,666,730 | \$626,666,920 | \$944,178,930 | \$2,818,867,523 |
| 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 |

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

| <u>Tax Year</u> | <u>Collection Year</u> | <u>Elyria City School District</u> | <u>Lorain County</u> | <u>City of Elyria</u> | <u>Lorain County Joint Vocational School</u> |
|-----------------|------------------------|------------------------------------|----------------------|-----------------------|--|
| 2001 | 2002 | 57.11 | 10.79 | 4.20 | 2.45 |
| 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 |

Source: Lorain County Auditor's Office

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) |
|--------------------------|-----------------------|---------------------------|------------------------------|---|
| 6/30/02 | 55,953 | \$944,178,930 | \$1,360,000 | \$855,140 |
| 6/30/01 | 55,953 | 955,009,650 | 1,660,000 | 664,300 |
| 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 |
|------------------------|--|--|-----------------------------------|
| \$504,860 | 0.57% | 0.05% | \$9.02 |
| 995,700 | 0.70% | 0.10% | 17.80 |
| 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, 2002

Debt Limitation (9% of Assessed Valuation) \$84,976,104

Total Debt \$1,360,000

Less Debt Service Fund Balance (855,140)

Less Net Debt 504,860

Legal Debt Margin **\$84,471,244**

Elyria City School District
Computation of Direct and Overlapping General Obligation Debt
June 30, 2002

| | Net General Obligation Bonded Debt (1) | Percentage Applicable To School District (2) | Amount Applicable To School District | Overlapping Debt Applicable To School District |
|-----------------------------|---|---|---|---|
| Elyria City School District | \$504,860 | 100.00% | \$504,860 | \$0 |
| Lorain County | 6,540,000 | 18.80% | 1,229,520 | 5,310,480 |
| City of Elyria | <u>20,259,710</u> | 100.00% | <u>\$20,259,710</u> | <u>\$0</u> |
| Total | <u><u>\$27,304,570</u></u> | | <u><u>\$21,994,090</u></u> | <u><u>\$5,310,480</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 |
|--------------------------|------------------|------------------------------------|---------------------------|--|--|
| 6/30/02 | \$300,000 | \$90,640 | \$390,640 | \$68,241,450 | 0.57% |
| 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% |

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) |
|---------------------|----------------------------|---|--|------------------------------|
| 2001 | 2002 | \$2,512,999,085 | \$20,879,444 | \$593,492,000 |
| 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 |

Sources:

- (1) Lorain County Auditor's Office
- (2) Federal Reserve Bank, Cleveland, Ohio
for Lorain County

Elyria City School District
Principal Taxpayers
June 30, 2002

| <u>Principal Taxpayers</u> | <u>2001 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 | \$68,859,620 | 8.21% |

Source: Lorain County Auditor's Office - 2001 is the most current list available

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

| Year Ended | Population (1) | Enrollment | Unemployment Rate (1) |
|-------------------|-----------------------|-------------------|------------------------------|
| 2002 | 55,953 | 8,270 | 6.1% |
| 2001 | 55,953 | 8,551 | 5.5% |
| 2000 | 56,746 | 8,487 | 5.2% |
| 1999 | 56,746 | 8,656 | 5.4% |
| 1998 | 56,746 | 8,753 | 6.3% |
| 1997 | 56,746 | 8,916 | 6.9% |
| 1996 | 56,746 | 8,746 | 7.0% |
| 1995 | 56,746 | 9,012 | 6.3% |
| 1994 | 56,746 | 9,110 | 7.1% |
| 1993 | 56,746 | 9,269 | 11.0% |

Source: (1) The City of Elyria

Elyria City School District
Miscellaneous Statistics
June 30, 2002

| | |
|-------------------------------|--------------------|
| Form of Government | Board of Education |
| Enrollment | 8,270 |
| 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 | 2,147 |
| Eastern Heights Junior High School | Thomas Solet | 380 |
| Northwood Junior High School | Thomas Jama | 470 |
| Westwood Junior High School | Gregory Horace | 408 |
| HillTop Elementary | Allen Senkovich | 24 |
| Cascade Elementary | Brenda Peaks | 367 |
| Crestwood Elementary | Linda Arter | 466 |
| Eastgate Elementary | Charles Sanfilippo | 372 |
| Edison Elementary | Carl Bosworth | 90 |
| Ely Elementary | Brenda Harriss | 451 |
| Erie Elementary | S. Ann Williams Lars | 327 |
| Franklin Elementary | Elsa Manco | 422 |
| McKinley Elementary | Chip Hall | 363 |
| Oakwood Elementary | Joyce Bouman | 346 |
| Prospect Elementary | Michael Amann | 398 |
| Roosevelt Elementary | Norris Kelly | 481 |
| Windsor Elementary | Michael Routa | 448 |
| Kindergarten Village | Rita Tomsic | 310 |
| | | 8,270 |
| | | 8,270 |

Source: Elyria City School District Records

Elyria City School District
Teacher Education and Experience
June 30, 2002

| <u>Degree</u> | <u>Number of Teachers</u> | <u>Percent of Total</u> |
|--------------------|---------------------------|-------------------------|
| Bachelor's Degree | 85 | 14% |
| Bachelor's plus 10 | 65 | 10% |
| Bachelor's plus 20 | 138 | 22% |
| Master's Degree | 76 | 12% |
| Master's plus 10 | 47 | 8% |
| Master's plus 20 | 47 | 8% |
| Master's plus 30 | 32 | 5% |
| Master's plus 40 | 135 | 21% |
| Doctorate | 3 | 0% |
| Total | 628 | 100% |

| <u>Years of Experience</u> | <u>Number of Teachers</u> | <u>Percent of Total</u> |
|----------------------------|---------------------------|-------------------------|
| 0 to 5 | 154 | 25% |
| 6 to 10 | 88 | 14% |
| 11 to 20 | 186 | 30% |
| 20 and Over | 200 | 31% |
| Total | 628 | 100% |

Source: Elyria City School District Records



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

ELYRIA CITY SCHOOL DISTRICT

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 11, 2003**