

ELYRIA CITY SCHOOL DISTRICT

Audit Report

For the Year Ended June 30, 2003

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



**Auditor of State
Betty Montgomery**

Board of Education
Elyria City School District
42101 Griswold Rd.
Elyria, OH 44035

We have reviewed the Independent Auditor's Report of the Elyria City School District, Lorain County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2002 through June 30, 2003. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

February 9, 2004

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ELYRIA CITY SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2003

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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 accompanying financial statements of the Elyria City School District as of and for the year ended June 30, 2003, and have issued our report thereon dated January 7, 2004 in which the District adopted Governmental Accounting Standards Board Statements No. 34, 37, 38, 41 and GASB Interpretation 6. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the 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 financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

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

ELYRIA CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2003

| Federal Grantor/Program Title | Pass Through Entity Number | CFDA Number | Receipts Recognized | Program Expenditures |
|---|----------------------------------|----------------|------------------------|-------------------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| Passed Through the Ohio Department of Education | | | | |
| Nutrition Cluster: | | | | |
| Food Distribution | N/A | 10.550 | \$ 64,288 | \$ 64,288 |
| National School Breakfast Program | " | 10.553 | 376,021 | 376,021 |
| National School Lunch Program | " | 10.555 | 691,828 | 691,828 |
| Summer Food Service Program | " | 10.559 | 41,205 | 41,205 |
| Total Nutrition Cluster | | | 1,173,342 | 1,173,342 |
| Total U.S. Department of Agriculture | | | 1,173,342 | 1,173,342 |
| <u>U.S. Department of Education</u> | | | | |
| Pass through Ohio Department of Education | | | | |
| Special Education Cluster: | | | | |
| Preschool | PG-S1-03P | 84.173 | 62,435 | 59,497 |
| Preschool | PG-S1-01P | 84.173 | - | 9 |
| Preschool | PG-S1-02P | 84.173 | 6,234 | 6,234 |
| Indicators of Success - Title VI-B | 6B-EC-2002P | 84.027 | - | 20,000 |
| Title VI-B | 6B-SF-02 | 84.027 | 81,301 | 268,233 |
| Title VI-B | 6B-SF-03 | 84.027 | 880,034 | 831,312 |
| Total Special Education Cluster | | | 1,030,004 | 1,185,285 |
| Adult Basic Education | AB-S1-02 | 84.002 | 5,952 | 25,141 |
| Adult Basic Education | AB-S1-03 | 84.002 | 165,244 | 132,038 |
| Adult Basic Education | AB-S1-2002C | 84.002 | 19,104 | 19,104 |
| Total Special Education Cluster | | | 190,300 | 176,283 |
| Title 1 | C1-S1-02 | 84.010 | 455,136 | 896,464 |
| Title 1 | C1-S1-03 | 84.010 | 1,756,248 | 1,565,249 |
| Title 1 | C1-S1-01C | 84.010 | - | 2,127 |
| Total Title I | | | 2,211,384 | 2,463,840 |
| Eisenhower Grant | MS-S1-01 | 84.281 | - | 17,676 |
| Eisenhower Grant | MS-S1-02 | 84.281 | - | 22,648 |
| Total Eisenhower Grant | | | - | 40,324 |

(continued)

ELYRIA CITY SCHOOL DISTRICT
 Schedule of Federal Awards Expenditures
 For the Year Ended June 30, 2003

| Federal Grantor/Program Title | Pass Through Entity Number | CFDA Number | Receipts Recognized | Program Expenditures |
|---|----------------------------------|----------------|------------------------|-------------------------|
| <i>U.S Department of Education</i> - (continued) | | | | |
| Pass through Ohio Department of Education - (continued) | | | | |
| Comprehensive School Reform Subsidy | RF-S1-01 | 84.332 | 15,000 | 32,532 |
| Comprehensive School Reform | RF-S2-02 | 84.332 | 125,000 | 113,493 |
| Comprehensive School Reform | RF-CC-03 | 84.332 | 40,999 | 36,000 |
| Comprehensive School Reform | RF-S2-01 | 84.332 | 25,000 | 91,950 |
| Comprehensive School Reform | RF-S1-02 | 84.332 | 45,000 | 31,426 |
| Total Comprehensive School Reform | | | 250,999 | 305,401 |
| Title I School Improvement | AK-S1-02 | 84.348 | 49,292 | 120,779 |
| Title I School Improvement | AK-S1-03 | 84.348 | 72,320 | 50,832 |
| Total Title I School Improvement | | | 121,612 | 171,611 |
| Title VI | C2-S1-01 | 84.151 | - | 13,179 |
| Title VI | C2-S1-02 | 84.151 | 18,756 | 42,190 |
| Title VI | C2-S1-03 | 84.151 | 52,422 | 24,244 |
| Total Title VI | | | 71,178 | 79,613 |
| Drug Free Schools | DR-S1-03 | 84.184 | 67,498 | 63,707 |
| Drug Free Schools | DR-S1-01 | 84.184 | - | 4,837 |
| Drug Free Schools | DR-S1-02 | 84.184 | 15,596 | 26,170 |
| Total Drug Free Schools | | | 83,094 | 94,714 |
| Goals 2000 - Continuous Improvement Grant | G2-S2-02 | 84.276 | - | 13,621 |
| Goals 2000 - Teacher Mini-Grant | G2-SP-01 | 84.276 | - | 30 |
| Goals 2000 - Performance Incentive | G2-S1-01 | 84.276 | - | 7,218 |
| Goals 2000 - Ohio School Grant | G2-S5-01 | 84.276 | - | 10,308 |
| Goals 2000 - Ohio School Grant | G2-S5-03 | 84.276 | 150,000 | 102,970 |
| Total Goals 2000 | | | 150,000 | 134,147 |
| Title VI-R - Class Size Reduction Grant | CR-S1-02 | 84.340 | 149,657 | 149,657 |
| Total Title VI-R - Class Size Reduction Grant | | | 149,657 | 149,657 |

(continued)

ELYRIA CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2003

| Federal Grantor/Program Title | Pass Through Entity Number | CFDA Number | Receipts Recognized | Program Expenditures |
|--|----------------------------------|----------------|------------------------|-------------------------|
| <u>U.S Department of Education</u> - (continued) | | | | |
| Pass through Ohio Department of Education - (continued) | | | | |
| Title II A | TR-S1-2003 | 84.367 | 416,990 | 388,860 |
| Total Title II A | | | 416,990 | 388,860 |
| Technical Infusion Grant | 1810-0642 | 84.343 | 1,954 | 1,954 |
| Technical Infusion Grant | 1810-0642 | 84.343 | 2,395 | 2,395 |
| Technical Infusion Grant | 1810-0642 | 84.343 | - | 692 |
| Total Technical Infusion Grant | | | 4,349 | 5,041 |
| Safe & Drug Free Community Services | DR-S1-2003 | 84.184C | 15,300 | 10,137 |
| Total Safe & Drug Free Community Services | | | 15,300 | 10,137 |
| Title II D | TJ-S1-2003 | 84.318 | 48,319 | 27,998 |
| Total Title II D | | | 48,319 | 27,998 |
| Total U.S. Department of Education | | | 4,743,186 | 5,232,911 |
| <u>U.S.Department of Health and Human Services</u> | | | | |
| Passed through Ohio Department of Mental Retardation and Developmental Disabilities | | | | |
| Medicaid Title XIX | N/A | 93.778 | 428,725 | 428,725 |
| Total U.S. Department of Health and Human Services | | | 428,725 | 428,725 |
| Total Federal Expenditures | | | \$ 6,345,253 | \$ 6,834,978 |

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, 2003

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, 2003, 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 financial statements of the Elyria City School District as of and for the year ended June 30, 2003, and have issued our report thereon dated January 7, 2004 in which the District adopted Governmental Accounting Standards Board Statements No. 34, 37, 38, 41 and GASB Interpretation 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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-03. We also noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated January 7, 2004.

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

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 January 7, 2004.

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.
January 7, 2004

**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, 2003. 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, 2003.

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.
January 7, 2004

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

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY
June 30, 2003**

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> | Nutrition Cluster - CFDA 10.550,10.553,10.555 Adult Basic Education - CFDA 84.002 Title II-A - CFDA 84.367 |
| (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, 2003

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

001-ELY-03 Section 5705.36 and 5705.39, Revised Code, states that appropriations from each fund shall not exceed the amount set forth as available for expenditure by the county budget commission. The Special Trust, Title VI-B and the Local Grants funds had appropriations in excess of the total amount certified by the county budget commission.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY**

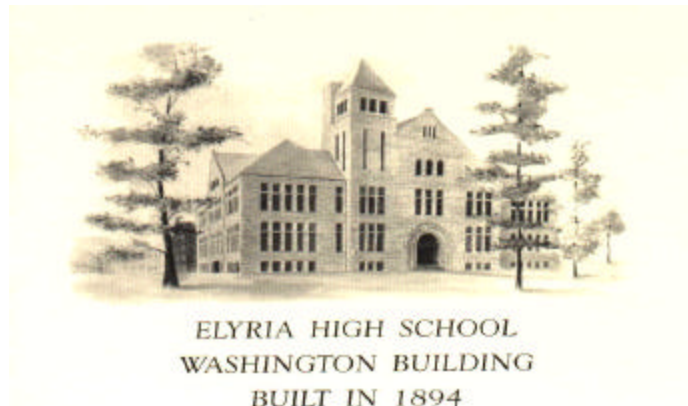
**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2003**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: Per ADAM 2001-10-disclose the current year finding in this schedule |
|-----------------------|---|-------------------------|--|
| 001-Ely-02 | Ohio Revised Code Section 5705.41 (D)- Expenditures plus Encumbrances exceed Appropriations | Yes | Finding no longer valid |

THE ELYRIA SCHOOLS
Lorain County, Ohio

***COMPREHENSIVE
ANNUAL FINANCIAL
REPORT***

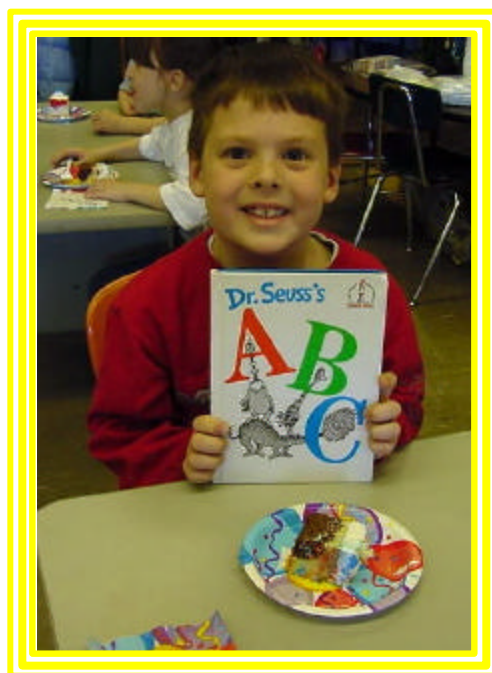
For the Fiscal Year Ended June 30, 2003



The Elyria Schools
Elyria, Ohio

Prepared by: Fred V. Stephens, Treasurer

The Elyria Schools



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

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January 30, 2004

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

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

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

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

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

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

GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT

The Reporting Entity

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

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

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

The Board of Education and the Administration

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

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

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

The District and Its Facilities

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

Employee Relations and Benefits

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Taxes

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

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

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

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

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

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

School Foundation

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

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

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

Local Economy

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

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

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

MAJOR INITIATIVES

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

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

"To be an exceptional District..."

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

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

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

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

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

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

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

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

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

FINANCIAL INFORMATION

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

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

Fiscal Management

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Budgetary Controls

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

Internal Controls

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

FINANCIAL CONDITION

This is the first year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliations to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by the law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of the new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2003. Because that discussion focuses on major funds, other non-major funds are discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses is related to the provision of dental and medical benefits to the School District employees. The School District has implemented a medical self-insurance program. The internal service fund had net assets of \$2,391,190 at June 30, 2003 compared with net assets of \$3,418,645 at June 30, 2002, reflecting a net decrease of \$1,027,455.

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

Cash Management

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

Risk Management

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

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

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

USE OF REPORT

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

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

PENSION PLANS

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

OTHER INFORMATION

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

Independent Audit

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

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1981 fiscal year.

AWARDS

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

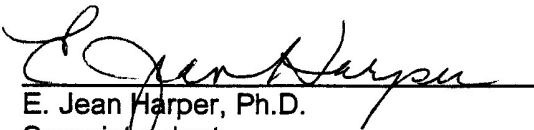
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

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

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


E. Jean Harper, Ph.D.
Superintendent


Fred Stephens
Treasurer and Chief Financial Officer

Elyria City School District, Ohio

Members of the Board of Education

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

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

Superintendent of Schools

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

Treasurer/Chief Financial Officer

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

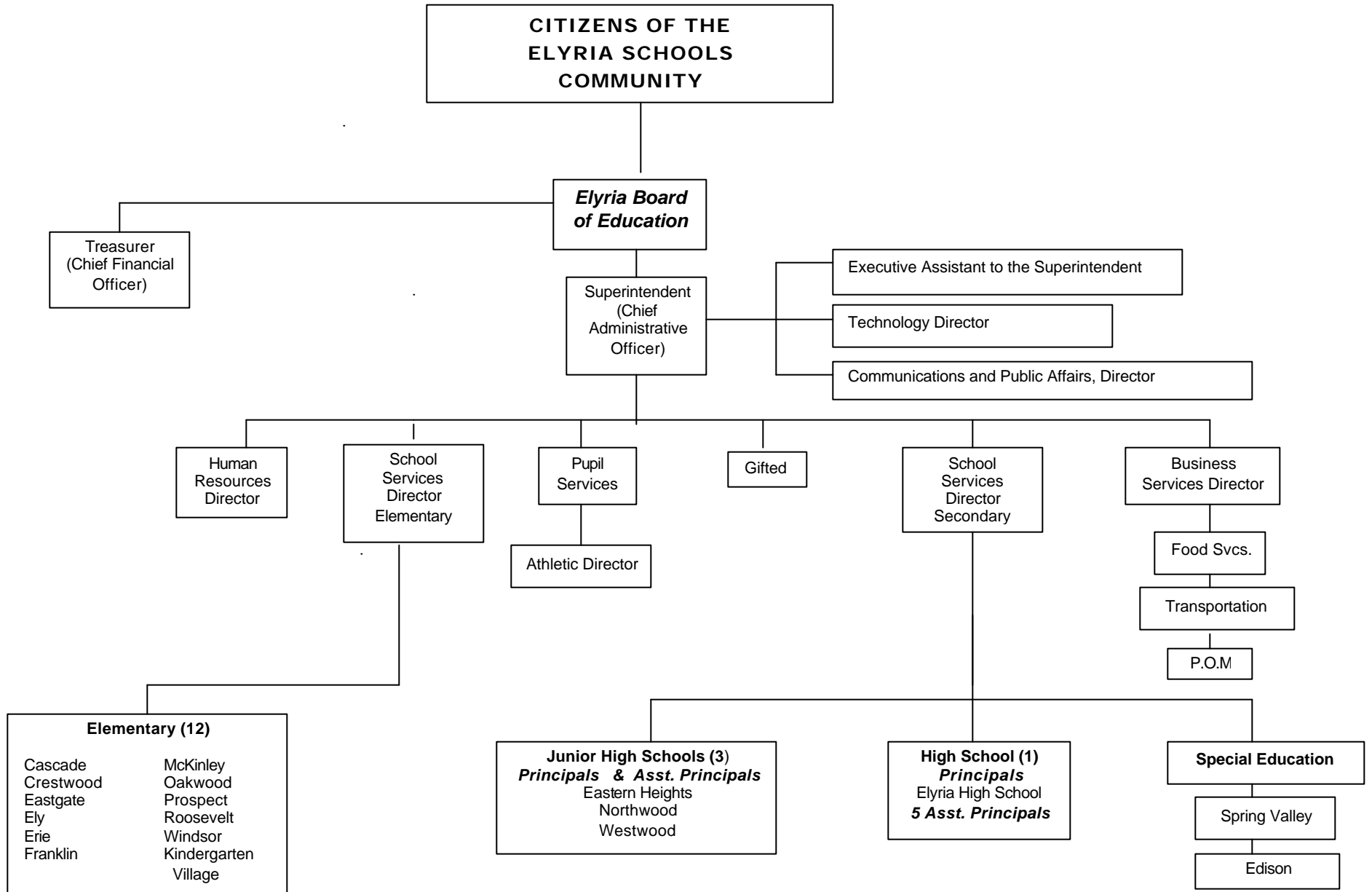
ELYRIA CITY SCHOOL DISTRICT, OHIO

Management Team

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

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

ORGANIZATIONAL CHART FOR THE ELYRIA CITY SCHOOL DISTRICT



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Elyria City Schools,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



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

President

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

Executive Director

The Elyria Schools



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

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

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying basic financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Elyria City School District (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

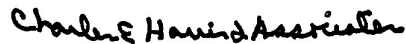
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during the year ended June 30, 2003, the District implemented Governmental Accounting and Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus," GASB Statement No. 38, "Certain Financial Statement Note Disclosures," GASB Statement No. 41, "Budgetary Comparison Schedules – Perspective Differences – an amendment of GASB Statement No. 34," and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

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

In accordance with *Government Auditing Standards*, we have also issued a report dated January 7, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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



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

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

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

Financial Highlights

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

Key financial highlights for 2003 are as follows:

Overall:

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

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

Business-Type Activities:

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

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

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

The School District as a Whole

Governmental Activities

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

Table 1
Governmental Activities – Net Assets
(In Millions)

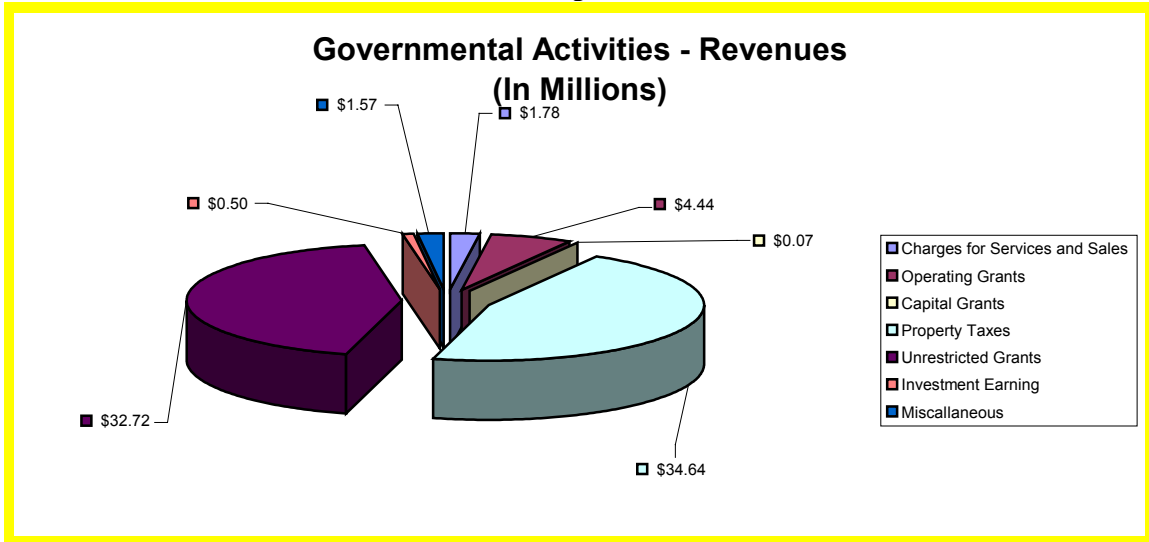
| | Governmental Activities | Business-Type Activities | Total |
|---------------------------|----------------------------|-----------------------------|----------------|
| <u>Assets</u> | | | |
| Current and Other Assets | \$52.35 | \$0.47 | \$52.82 |
| Capital Assets | 6.40 | 0.22 | 6.62 |
| Total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

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What are the School District's Revenue Sources?

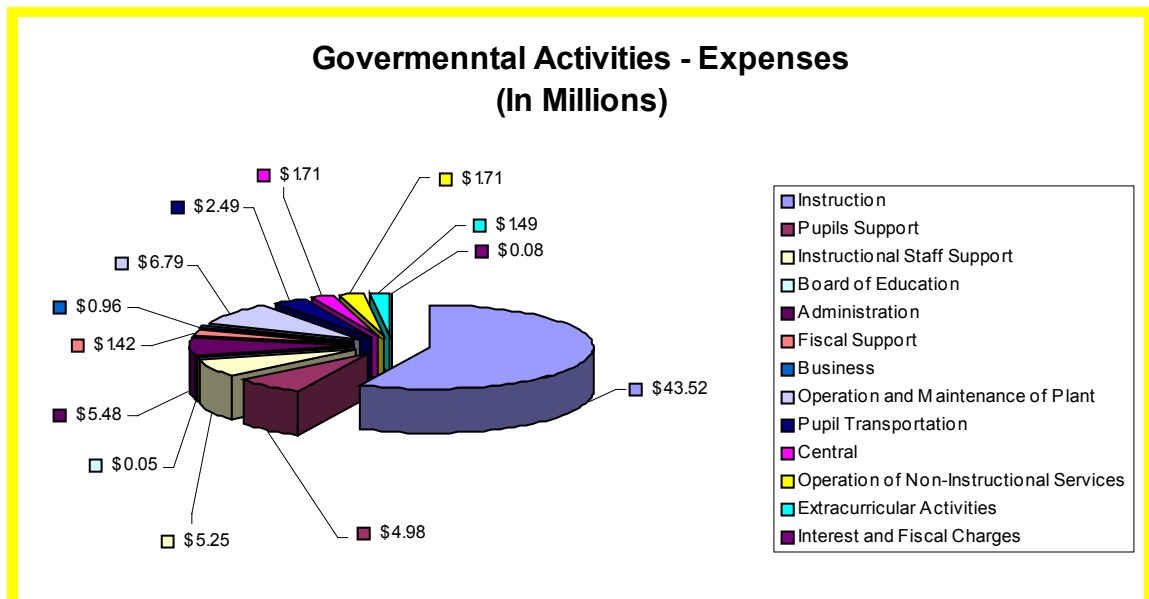
The following graph provides a summary of the School District's Governmental Activities revenue sources for 2003.

Graph 1.



Where does the School District spend its revenues?

Graph 2.



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

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

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

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

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

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

Business-Type Activities

Business-type activities include the food service department.

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

Table 3

Revenue and Expense for Business Type Activities

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

The School District's Funds

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

General Fund Budgeting Highlights

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

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

Capital Assets and Debt Administration

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

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

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

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

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

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

Elyria City School District
Management's Discussion and Analysis
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Debt

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

Current Financial Related Activities

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

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. Virtually, no additional state revenue will be available to Elyria School District. Thus, both taxes and state revenue are fixed or declining.

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

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

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

Contacting the School District's Financial Management

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

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

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

See accompanying notes to the basic financial statements

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

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

General Revenues

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

Total General Revenues

Changes in Net Assets

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

Net Assets End of Year

See accompany notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

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

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

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

See accompany notes to the basic financial statements

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

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

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

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

See accompany notes to the basic financial statements

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

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

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

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

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

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

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

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

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

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

1,722

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

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

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

(1,027,455)

Change in Net Assets of Governmental Activities

\$ (388,184)

See accompany notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

Note 1 – Summary of Significant Accounting Policies

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

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

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

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

A. Fund Accounting

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

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

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

Governmental Fund Types Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District major governmental funds:

General Fund The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

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

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

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The School District's major internal service fund is:

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

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

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

B. Basis Of Presentation

Government-wide Financial Statements The statement of net assets and statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the School District that are considered business type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relation between the government-wide statements and the statements to governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is represented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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

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

C. Basis of Accounting

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

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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

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

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

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

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

D. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Lorain County Budget Commission for rate determination.

Estimated Resources By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer.

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

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

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

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

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

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

E. Cash and Cash Equivalents

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

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

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

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

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are considered to be investments.

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

F. Restricted Assets

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

G. Prepaid Items

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

H. Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when used. Inventories of proprietary funds consist of donated food and purchased food held for resale and are expensed when used.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the government activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

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

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

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

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

J. Interfund Balances

On the fund financial statements, receivables and payables resulting short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

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

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

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

M. Interfund Activity

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

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

N. Fund Balance Reserves

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

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

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

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

P. Contributions of Capital

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

Q. Extraordinary and Special Items

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

R. Estimates

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service and charges for services for self-insurance programs. Operating expenses are necessary cost occurred to provide the good or service that is the primary activity of the fund.

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

Note 3 – Budgetary Basis of Accounting

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

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

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

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

Note 4 – Deposits and Investments

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

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

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

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

1. \$112,535 was covered by federal depository insurance; and
2. \$1,125,153 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments The School District's investments are required to be categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

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

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

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

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

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

Note 5 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. The Lorain County Auditor reappraises real property every six years, which was last completed for 2000. Property tax revenue received during calendar 2003 for real and public utility property taxes represents collections of calendar 2002 taxes. Property tax payments received during calendar 2003 for tangible personal property (other than public utility property) is for calendar 2003 taxes.

2003 real property taxes are levied after April 1, 2003, on the assessed value listed as of January 1, 2003, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after April 1, 2003, and are collected in 2004 with real property taxes.

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

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

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The Lorain County Treasurer collects property taxes on behalf of all taxing districts in the county, including Elyria City School District. The Lorain County Auditor periodically remits to the School District its portion of taxes. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 was levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

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

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

Note 6 – Receivables

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

Intergovernmental grants consisted of the following for grants:

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

Note 7 – Interfund Balances

A. Interfund Transfers

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

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

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

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

B. Due from/to Other Funds

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

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

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

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

Note 8 – Capital Assets

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

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

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

Depreciation expense was charged to governmental functions as follows:

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

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

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

Note 9 – Leases

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

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

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

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

Note 10 – Long-term liabilities

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

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

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

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

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

Note 11 – Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2003 the School District contracted with Nationwide/Wausau Company for property insurance. Professional liability is protected by Nationwide/Wausau Company with \$5,000,000 aggregate limit.

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

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

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

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

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

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

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

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

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

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

Note 12 – Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees System of Ohio (SERS), a cost-sharing multiple employer defined pension system. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Board Street, Suite 100, Columbus, Ohio 43215-3746 or by calling 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,355,184, 2,085,328, and \$1,529,488, respectively; 43.16 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. \$770,257 representing the unpaid contribution for fiscal year 2003 is recorded as a liability.

B. State Teachers Retirement System

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

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

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

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement/State Teachers Retirement System. As of June 30, 2003, all members of the Board of Education have elected social security. The Board's liability is 6.2% of wages paid.

Note 13 – Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal year ended June 30, 2002 (the latest information available), the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$1,555,165 for fiscal year 2003.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2002 (the latest information available), the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

For this fiscal year, SERS employer contributions to fund health care benefits were 5.83 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$14,500. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003 SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$651,493 during the 2003 fiscal year.

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

Note 14 – Jointly Governed Organizations

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

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

Note 15 – Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Note 16 – Set-Aside Requirements

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

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

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

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

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

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

Note 17 – Subsequent Event

On December 11, 2002, The Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...” The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

Note 18 – Accountability and Compliances

A. Fund Deficits

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

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

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

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

B. Legal Compliance

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

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

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

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

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

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

Changes in Accounting Principles For the fiscal year 2003, the School District has implemented GASB No. 34, “Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments”, GASB No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB No. 38, “Certain Financial Statement Note Disclosures”, GASB No. 41, “Budgetary Comparison Schedules – Perspective Differences – an amendment of GASB Statement No. 34”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.” At June 30, 2002, there was no effect on fund balances as a result of implementing GASB Statements No. 37, 38, and 41.

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

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

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

GASB 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

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

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

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

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

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

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

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

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

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

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

Elyria City School District

Combining Statements and Individual Fund Schedules

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Elyria City School District

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Educational Management Information Systems Fund This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

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

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

Elyria City School District

Nonmajor Special Revenue Funds

(continued)

Data Communication Fund This fund accounts for State monies received to provide Ohio Educational Computer Network Connections.

SchoolNet Professional Development Fund This fund accounts for State monies to assist staff in gaining knowledge of technology.

Ohio Reads Grant Fund This fund accounts for State monies to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

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

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

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

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

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

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

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

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

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

Elyria City School District

Nonmajor Special Revenue Funds

(continued)

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

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

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

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

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

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

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Funds

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

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

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

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

Elyria City School District

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2003

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

Elyria City School District

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

For the Year Ended June 30, 2003

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

Elyria City School District

Combining Balance Sheet
Nonmajor Special Revenue Funds

June 30, 2003

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

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

(continued)

Elyria City School District

Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)

June 30, 2003

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

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

(continued)

Elyria City School District

Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)

June 30, 2003

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

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

Elyria City School District

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

For the Year Ended June 30, 2003

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

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

(continued)

Elyria City School District

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

For the Year Ended June 30, 2003

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

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

(continued)

Elyria City School District

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

For the Year Ended June 30, 2003

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

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

Elyria City School District

Combining Balance Sheet
Capital Projects Funds

June 30, 2003

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

Elyria City School District

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

For the Year Ended June 30, 2003

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

Elyria City School District

Combining Statement of Change in Assets and Liabilities
Agency Fund

For the Year Ended June 30, 2003

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

Elyria City School District

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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The Elyria Schools



STATISTICAL SECTION

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

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

Source: School District Financial Records

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

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

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

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

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

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

Source: Lorain County Auditor's Office

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

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

Source: Lorain County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor

- (1) This amount is calculated based on the following percentages:
Real property is assessed at 35 percent of actual value.
Public utility/personal property is assessed at 88 percent of actual value.
Tangible personal property is assessed at 25 percent of actual value.

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

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

Source: Lorain County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor

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

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

Source:

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

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

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

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

Source: Lorain County Auditor and School District Financial Records

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

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

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

Source: School District Financial Records

Elyria City School District
Demographic Statistics
Last Ten Years

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

Source:

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

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

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

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

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

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

Sources: Lorain County Auditor

(1) Assessed values are for the 2003 collection year

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

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

Sources: Lorain County Auditor

(1) Assessed values are for the 2003 collection year

Elyria City School District
Miscellaneous Statistics
June 30, 2003

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

School Buildings:

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

Sources: School District Financial Records

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

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

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

Source: School District Personnel Records



**Auditor of State
Betty Montgomery**

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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
MARCH 4, 2004**