

Elyria City School District

* * * *

Report Letters

June 30, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Elyria City School District, Lorain County, prepared by Rea & Associates, Inc., for the audit period July 1, 2008 through June 30, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 8, 2010

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ELYRIA CITY SCHOOL DISTRICT

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 31, 2009

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Elyria City School District as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 31, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Elyria City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

Compliance and Other Matters

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

However, we noted certain immaterial instances of noncompliance that we reported to management of Elyria City School District in a separate letter dated December 31, 2009.

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

Hea & Associates, Inc.



December 31, 2009

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of Elyria City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. Elyria City School District's major federal program is 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 program is the responsibility of Elyria City School District's management. Our responsibility is to express an opinion on Elyria City School 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 Circulars 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 federal program occurred. An audit includes examining, on a test basis, evidence about Elyria City School 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 Elyria City School District's compliance with those requirements.

In our opinion, Elyria City School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Elyria City School 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 Elyria City School 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 but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Elyria City School Districts' internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards – Cash Basis

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Elyria City School District as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 31, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

Kea & Associates, Inc.

**ELYRIA CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Year	Cash Receipts	Non-Cash Receipts	Cash Disbursements	Non-Cash Disbursements
U. S. Department of Education						
<i>Passed Through Ohio Department of Education:</i>						
Adult Basic Education - 2009	84.002	2009	\$ 144,277	\$ 0	\$ 138,084	\$ 0
Adult Basic Education - 2008 {C}	84.002	2008	(1,070)	0	22,455	0
Total Adult Basic Education			143,207	0	160,539	0
Title I - 2009	84.010	2009	2,219,023	0	2,036,690	0
Title I - 2008 {C}	84.010	2008	(44,449)	0	270,968	0
Title I - School Improvement	84.010	2009	224,260	0	201,609	0
Title I - School Improvement	84.010	2008	0	0	1,742	0
Total Title I			2,398,834	0	2,511,009	0
Title II-A - Improving Teacher Quality - 2009	84.367	2009	762,683	0	619,425	0
Title II-A - Improving Teacher Quality - 2008 {C}	84.367	2008	(7,772)	0	68,619	0
Total Title II-A - Improving Teacher Quality			754,911	0	688,044	0
<i>Special Education Cluster:</i>						
IDEA Part B - 2009	84.027	2009	1,725,349	0	1,564,886	0
IDEA Part B - 2008	84.027	2008	21,781	0	310,554	0
Total IDEA Part B			1,747,130	0	1,875,440	0
Early Childhood Special Education - 2009	84.173	2009	53,776	0	50,738	0
Early Childhood Special Education - 2008	84.173	2008	8,958	0	11,249	0
Early Learning and School Reading	84.173	2009	3,000	0	3,000	0
Total Early Childhood Special Education			65,734	0	64,987	0
Total Special Education Cluster			1,812,864	0	1,940,427	0
Safe and Drug-Free Schools - 2009	84.186	2009	35,924	0	32,309	0
Safe and Drug-Free Schools - 2008	84.186	2008	885	0	6,679	0
Total Safe and Drug-Free Schools			36,809	0	38,988	0
Title V - Innovative Education Program Strategies - 2009	84.298	2009	20,668	0	20,668	0
Title V - Innovative Education Program Strategies - 2008 {C}	84.298	2008	(4,170)	0	484	0
Total Title V - Innovative Education Program Strategies			16,498	0	21,152	0
Technology Literacy Challenge Fund Grant	84.318	2009	39,575	0	31,705	0
Technology Literacy Challenge Fund Grant {C}	84.318	2008	(1,987)	0	2,137	0
Total Technology Literacy Challenge Fund Grant			37,588	0	33,842	0
Title III - LEP	84.365	2009	15,956	0	11,612	0
Title III - LEP	84.365	2008	30	0	152	0
Total Title III Grants			15,986	0	11,764	0
<i>Total U.S. Department of Education</i>			5,216,697	0	5,405,765	0
U. S. Department of Agriculture						
<i>Passed Through the Ohio Department of Education:</i>						
Summer Food Program	10.559	2009	67,765	0	67,765	0
Total Summer Food Program			67,765	0	67,765	0
<i>Child Nutrition Cluster:</i>						
School Breakfast Program (B)	10.553	2009	534,431	0	534,431	0
School Breakfast Program (B)	10.553	2008	0	0	0	0
Total School Breakfast Program			534,431	0	534,431	0
National School Lunch Program (Food Distribution) (A)(B)	10.555	2009	0	148,182	0	148,182
National School Lunch Program (B)	10.555	2009	1,454,283	0	1,454,283	0
Total National School Lunch Program			1,454,283	148,182	1,454,283	148,182
Total Child Nutrition Cluster			1,988,714	148,182	1,988,714	148,182
<i>Total U.S. Department of Agriculture</i>			2,056,479	148,182	2,056,479	148,182
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 7,273,176</u>	<u>\$ 148,182</u>	<u>\$ 7,462,244</u>	<u>\$ 148,182</u>

ELYRIA CITY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2009

- (A) Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance and related expenditures are reported in this schedule at the value of the commodities received as assessed by the U.S. Department of Agriculture (entitlement value).
- (B) Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.
- (C) Carryover of cash into the next grant year.
- (D) The School District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with ODE's approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the School District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2009, the Ohio Department of Education (ODE) authorized the following transfers:

<u>CFDA Number / Grant Title</u>	<u>Grant Year</u>	<u>Transfer In</u>	<u>Transfer Out</u>
84.010 Title I	2009	\$ 300,780	
84.010 Title I	2008		\$ 300,780
84.010 Title I School Improvement	2009	10,072	
84.010 Title I School Improvement	2008		10,072
84.367 Title II-A: Improving Teacher Quality	2009	310,509	
84.367 Title II-A: Improving Teacher Quality	2008		310,509
84.318 Title II-D: Technology Literacy Challenge Fund	2009	17,028	
84.318 Title II-D: Technology Literacy Challenge Fund	2008		17,028
84.365 Title III: LEP	2009	59	
84.365 Title III: LEP	2008		59
84.186 Safe and Drug Free Schools	2009	6,174	
84.186 Safe and Drug Free Schools	2008		6,174
84.027 Special Education IDEA Part B	2009	222,094	
84.027 Special Education IDEA Part B	2008		222,094
84.298 Title V Innovative Education Program Strategies	2009	13,312	
84.298 Title V Innovative Education Program Strategies	2008		13,312

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, Section .505
JUNE 30, 2009**

1. SUMMARY OF AUDITOR'S RESULTS		
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(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Child Nutrition Cluster CFDA #10.553 and #10.555
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	YES

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

No Findings noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No Findings noted.

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**Not Corrected, Partially
Corrected, Significantly
Different Corrective Action Taken
or Finding No Longer Valid
(Explain)**

Finding Number	Finding Summary	Fully Corrected?	<i>(Explain)</i>
2008-ESLC-01	Asset disposals were not deleted from the District's records.	Yes	



**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Education
Elyria City School District
42101 Griswold Road
Elyria, OH 44035

December 31, 2009

To the Board of Education:

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Elyria City School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on November 18, 2008.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that shall include the definition in division (A) of Ohio Rev. Code Section 3313.666;

- (3) A procedure for reporting prohibited incidents;
- (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

Elyria City School District

Elyria, Ohio



The new Elyria High School scheduled to open in 2011

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2009

ELYRIA CITY SCHOOL DISTRICT

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2009**

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ELYRIA CITY SCHOOL DISTRICT

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Fiscal Year Ended June 30, 2009**

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ELYRIA CITY SCHOOL DISTRICT

Comprehensive Annual Financial Report
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ELYRIA CITY SCHOOL DISTRICT

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December 31, 2009

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, 2009 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) statement Number 34 using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT

The Reporting Entity

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

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

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

The Board of Education and the Administration

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

The Superintendent of Schools (the "Superintendent"), appointed by the Board for a term not longer than five years, is the chief executive officer of the District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The current Superintendent, Mr. Paul M. Rigda, has been Superintendent since August 24, 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, Fred V. Stephens, has been Treasurer since January 1, 2004; his current four-year contract continues until January 3, 2010.

The District and Its Facilities

The Elyria City School District is located in the city of Elyria in Lorain County, Ohio. In fiscal year 2008-2009, there were 7,289 students enrolled in the District compared to 7,315 students enrolled in the previous year. The District currently operates eleven (11) elementary schools, three (3) junior high schools, one high school, one alternative learning center and one special education pre-school. The District maintains one administrative facility that houses an all-day every day Kindergarten Village of 271 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. Projected enrollment for fiscal year 2010 is to be in line with the prior two years.

Employee Relations and Benefits

For FY09, the District employed 928 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2009, the District paid from its general and Poverty Based Assistance fund \$39,248,478 in salaries and \$13,775,717 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. Both labor and benefit costs were reduced substantially from 2008.

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, 2009. The collective bargaining agreement with the Elyria School Support Staff (ESSS) expires December 31, 2009.

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 Caremark. The District provides life insurance and accidental death and dismemberment insurance to eligible employees through Medical Life. Dental insurance is provided to eligible employees through Delta Dental of Ohio and vision insurance is provided through VSP. All District employees participate in either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS). The District made required contributions for pension obligations to these Systems on behalf of its employees in the amount of \$6,886,915 during the 2009 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.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and communications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunication property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District due to the phasing out of the tax. In calendar years 2009-2010, the School District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The General Assembly exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by taxes levied on that property (HB66), and 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, 2009, the School District received \$35,271,905 of school State support for its general fund.

Local Economy

The Elyria area has a high percentage of its total work force employed in durable goods manufacturing, including automotive assembly, assembly of parts used in the transportation industry, tool and die-casting and metal fabricating. Manufacturing accounted for some 40-45% of the Elyria area's total work force employment during 2009. The rate of unemployment, at the end of the fiscal year 2009, for the Elyria City area was 11.40%.

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

The District contains the "Westfield Shopping Town Midway" the largest retailing center in Lorain County and the largest retail mall between Cleveland and Toledo. The mall, anchored by four major department stores and two major discount stores, Construction completed in recent years, added six new retailing centers, Sofa Express, The Home Depot, Dick's Sporting Goods, a major food chain store (Giant Eagle) a large retail department store (Target). With the addition of these centers, the surrounding Westfield Mall area is developing specialty shops and the food service industry.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Curriculum Initiatives

- The District has updated the grade six through 12 course of study with new math textbooks. A heavy focus is placed on Power Indicators at the elementary level, grades Prek through five. Elementary educators also are implementing Wilson Foundations, an early literacy program. The district is in the early stages of a districtwide implementation of ProgressBook, a classroom management system supporting central administration. ProgressBook also includes a parent component that allows online parent/teacher communication. The Elyria Schools offers a successful all-day kindergarten program at no cost to parents.

Classroom Technology

- The District has a standard for use of technology and uses fiber optics and a Wide Area Network (WAN) to all of its building to accommodate the use of administrative and instructional technology. The District's schools are PC based and Smart boards are in use districtwide and quickly expanding to meet the needs of all staff and students. Acquisitions of computers are made annually to supplement existing computers to provide students with the latest hardware and software technology and to replace outdated equipment.

District Academic Progress

- The Elyria City School District, one of the "Urban-21" districts in Ohio.
 - The district is ranked Continuous Improvement on Ohio's Report Card and has a plan for improvement.
 - Elyria Schools boast nearly a 90% attendance rate and 90% graduation rate.
 - The district's student-to-teacher ratio is low: Kindergarten--21:1, Grade 1 through 3--22:1, and Grades 4 and above—25:1.

Elyria High School

- Elyria High school provides its students with the benefits of being in a large high school but with a small school feel. Freshmen are placed on one of five academic teams that provide individualized attention. Each team has its own assistant principal and guidance counselors. The entire school is divided into four houses. Students remain in the same homeroom and house throughout high school.
- Elyria High School is being rebuilt into a state-of-the-art facility with high technology and many green features such as geothermal heating, eco-friendly roofing and windows.
- Elyria High School pilots many academic programs, such as a grant-funded recovery concept that keeps struggling students on track for graduation. Elyria High School graduates nearly 90% of its students in four years. This is up from 63% just 11 years ago. Many college preparatory courses and honors programs are offered.

Academic Services

- Elyria City School district offers numerous academic programs, including honors and advanced placement courses, Gifted and Talented Education opportunities, comprehensive special education programming and services for English-as-a-second-language students.
- Elyria offers a very successful all-day kindergarten program at no additional cost to parents. The program enjoys tremendous success: students enrolled in Elyria's all-day K program show significant achievement in reading and math well past kindergarten years.
- Elyria Schools offers an expansive preschool program.
- Elyria Schools offers more than 213 Smart boards in classrooms throughout the district. Smart boards are redefining how teachers teach and students learn: lesson plans are more interactive and students enjoy the hands-on approach to learning. The boards have helped improve students' attention, classroom participation and behavior.
- Through state and federal funding, Elyria has been able to advance professional development, provide specialized instructors for key content areas, and gain access to sophisticated progress-monitoring technologies. Elyria teachers are 100% highly qualified and trained in many disciplines.

Special Education

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

Treasurers Department Focus

The Treasurers office is working on continuously improving the department by increasing efficiency and effectiveness.

- Began process of converting treasurer and student records to electronic storage and retrieval.
- Effectively monitor payments to community schools
- Analyze systems and processes to conserve valuable resources
- Effectively using a budget planning cycle based on district needs that allows for input from all affected departments.
- Use the District's updated web page as a community resource for Board of Education and Financial Service information on the District.

For the Future.

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

The District continues to develop its technology system to allow all teachers and students access to the Internet. Teachers and administrators will have immediate access to District information on students, budget and staff. The District is implementing Smart Board technology into the classroom and has trained and placed equipment on line for the new school year.

The District passed a bond issue for a new Elyria High School in FY2007 qualifying for the OSFC Exceptional Needs Program giving the district one third on the costs.

FINANCIAL INFORMATION

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

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

Fiscal Management

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Budgetary Controls

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

Internal Controls

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

FINANCIAL CONDITION

The District prepares financial statements following GASB 34 Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the District's financial activities as follows:

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

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

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

As a part of the new reporting model, management is responsible for preparing a discussion and analysis for the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2009. Because that discussion focuses on major funds other non-major funds are discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses is related to the provision of dental and medical benefits to the District employees. The District has implemented a medical self-insurance program. The internal service fund had net assets of (\$319,293) for FY 2008 compared with net assets of \$191,201 for, FY 2009, reflecting an increase of \$510,494.

Financial Highlights – Fiduciary Funds The trust fund carried on the financial records of the District is a private purpose trust that has net assets totaling \$317,002 for FY 2009.

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 2009 for all District funds was \$1,509,388. A more detailed description of the District's investment functions is described in Note 5 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 2009, the District contracted with Indiana Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate. Buildings and contents are covered under a Commercial Property Comprehensive Building Insurance policy with a \$1,000 deductible.

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

Pension Plan

All District's employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The District's employers contributions to both systems are based on a percentage of employee's salaries. State law requires the District to pay the employer share as determined by each retirement system. See Note 13 of the basic financial statements for complete details.

USE OF REPORT

This report is published to provide the Board of Education, the citizens of the Elyria School District and other interested persons, detailed information concerning the financial condition of the District, with the particular emphasis placed on the utilization of resources during fiscal year 2005. Further, this report will serve as a guide to formulating policies and conducting the District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

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

OTHER INFORMATION

Independent Audit: State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Either the Ohio State Auditor's office or an Independent Public Accountant (IPA) contracted by the State and the District may conduct the annual audit. The District requested and received permission from the State Auditor to contract with an (IPA) for completion of the annual audit for a three-year period. For the fiscal year ended June 30, 2009, Rea & Associates, Inc. completed the audit. The auditor's unqualified audit opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Elyria Schools for its Comprehensive Annual Financial Report for the year ended June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Fred Stephens, Treasurer/Chief Financial Officer. We truly appreciate the contributions made by each staff member in the preparation of this report.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Assistant Treasurer, Katie Henes and the staff of the Treasurer's Office; Mary Lou Burnside, Brenda Greenberg, MariJane LaFleur, Julie Parker, Wendy Fanta and Linda Saltis. We want to express our appreciation to all who assisted and contributed to its preparation. We would like to acknowledge all members of the Board of Education who have expressed their interest and support in planning and conducting the financial operations of the District in a fiscally responsible, professional and progressive manner.



Paul M. Rigda
Superintendent



Fred V. Stephens
Treasurer and Chief Financial Officer

Elyria City School District, Ohio

Members of the Board of Education

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

<i>Board Members</i>	<i>Began Service</i>	<i>Term Expires</i>
<i>Donald Boddy, Board President</i>	July 28, 1998	December 31, 2011
<i>Evelyn France, Board V.P.</i>	April 23, 1996	December 31, 2009
<i>Holly Brinda, Member</i>	January 1, 2000	December 31, 2011
<i>Kathryn Karpus, Member</i>	January 1, 2003	December 31, 2011
<i>Virginia Hawes, Member</i>	January 1, 2002	December 31, 2009

Superintendent of Schools

The Superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisory to the Board on all aspects of the educational program and total operation of the District. Superintendent, Paul M. Rigda has Superintendent since August 24, 2005.

Treasurer/Chief Financial Officer

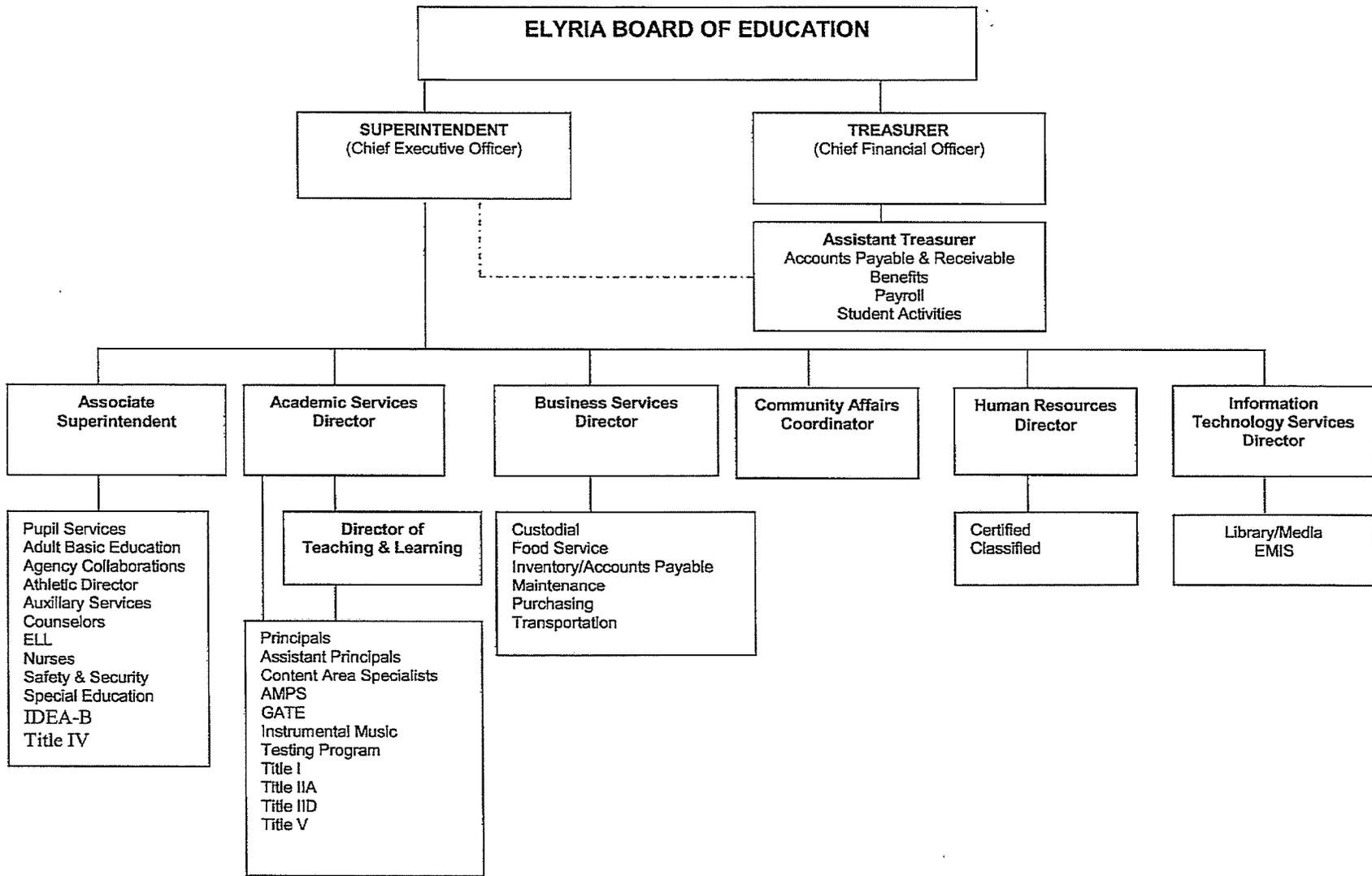
The Treasurer/Chief financial Officer serves as the fiscal officer of the District and, with the Board President, executes all conveyances made by the Board of Education. The Treasurer/Chief Financial Officer, Fred V. Stephens, has held the position since January 1, 2004.

2008-2009 ELYRIA CITY SCHOOL DISTRICT, OHIO

Management Team

Mr. Paul M. Rigda	Superintendent of Schools/CEO
Fred V. Stephens	Treasurer, Chief Financial Officer
Gordon Dupree	Associate Superintendent, Pupil Services
Gary Taylor	Director of Human Resources
Amy Higgins	Coordinator of Communications and Public Affairs
Dr. Mark Sutter	Director of Academic Services
Ann Schloss	Director of Teaching & Learning
Amy Keir	Content Area Specialist
Kathy Koepp	Content Area Specialist
Joanne Burgess	G.A.T.E. Coordinator, Gifted Program
Brian Kokai	Director of Technology
Dawn McCreedy	Director of Special Education
Katie Henes	Assistant Treasurer
Richard Nielson	Director of Business Services
Jerry Chizmar	Athletic Director
Willard Jett	Director of Food Services, Sodexo
Nikki McDaniels	Supervisor for Transportation, First Student
Daren Conley	Elyria High School Principal
Kimberly Benetto	Eastern Heights Junior High School Principal
Jomill Wiley	Northwood Junior High School Principal
Ramona Mendak	Westwood Junior High School Principal
Sherri Parent	Crestwood Elementary Principal
Jack Dibee	Ely Elementary Principal
Timothy Brown	Erie Elementary Principal

Rita Tomsic	Kindergarten Village Principal
Chip Hall	McKinley Elementary Principal
Kimberly Riposo-Conley	Franklin Elementary Principal
Aretha Dixon	Oakwood Elementary Principal
Charles Sanfilippo	Prospect Elementary Principal
Elaine Carlin	Roosevelt Elementary Principal
Richard Ackerman	Windsor Elementary Principal
Robyn Fisher	Spring Valley (Early Childhood Center)
Allen Senkovich	Hilltop Academy (Alternative School)



ORGANIZATIONAL CHART FOR THE ELYRIA CITY SCHOOLS

(Adoption Date: September 7, 2005)

File: CCA

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Elyria City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.



President

Executive Director

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FINANCIAL SECTION



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

December 31, 2009

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Elyria City School District (the School District), as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2009, 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 then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2009 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 16 are not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elyria City School District, Lorain County, Ohio's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Rea & Associates, Inc.

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

The discussion and analysis of Elyria City School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. 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, financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- Net assets of governmental activities increased \$1,955,614, which represented an 8 percent increase from 2008. Net assets of business-type activities decreased by \$137,064 from 2008. Overall, the School District's net assets ended at \$27.3 million.
- For governmental activities, general revenues accounted for \$69,489,476 in revenue or 82 percent of all revenues. Program specific revenues in the form of charges for service, grants, and contributions accounted for \$15,768,843 or 18 percent of total revenues of \$85,258,319.
- The School District had \$83,302,705 in expenses related to governmental activities; \$15,768,843 of these expenses were offset by program specific revenues (charges for services, grants, or contributions). General revenues (primarily state foundation and taxes) of \$69,489,476 were adequate to provide for these programs.
- The School District had \$3,253,678 in expenses related to business-type activities. Of these expenses \$3,116,049 were offset by program specific revenues (charges for services, grants, or contributions). These program revenues were not adequate to provide for these activities.
- The general fund, the main operating fund, had \$65,787,987 in revenues and \$64,920,749 in expenditures. The general fund's balance decreased \$2,450,060.
- The school district capitalized \$12,003,304 in construction costs during the fiscal year related to OSFC project.

Using this Annual Financial Report

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 City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

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 present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Elyria City School District, the general and classroom facilities funds are the most significant funds.

Reporting the School District as a Whole

Government-wide Financial Statements. The analysis of the School District as a whole begins on page 6. While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why?" or "Why not?". The *Statement of Net Assets* and the *Statement of Activities* assist in answering these questions. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

The government-wide financial statements can be found on pages 17 and 18 of this report.

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

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

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

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

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

The basic fund financial statements can be found on pages 19-23 of this report.

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

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

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

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

Notes to the Financial Statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-61 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School District, assets exceeded liabilities by \$27.3 million at the close of the most recent fiscal year. The table below provides a summary of the School District's net assets for 2009 and 2008:

	Governmental Activities		Business-Type Activities		Total	
	2009	Restated 2008	2009	Restated 2008	2009	Restated 2008
Assets						
Current and Other Assets	\$ 100,339,595	\$ 108,473,058	\$ 339,462	\$ 365,972	\$ 100,679,057	\$ 108,839,030
Capital Assets	26,626,356	15,155,109	71,484	97,550	26,697,840	15,252,659
Total Assets	126,965,951	123,628,167	410,946	463,522	127,376,897	124,091,689
Liabilities						
Current Liabilities	41,610,016	39,266,607	229,285	204,222	41,839,301	39,470,829
Long-term Liabilities	58,204,560	59,165,799	59,425	0	58,263,985	59,165,799
Total Liabilities	99,814,576	98,432,406	288,710	204,222	100,103,286	98,636,628
Net Assets						
Invested in Capital Assets						
Net of Related Debt	10,536,311	(2,247,500)	71,484	97,550	10,607,795	(2,149,950)
Restricted	22,854,437	31,371,092	0	0	22,854,437	31,371,092
Unrestricted (Deficit)	(6,239,373)	(3,927,831)	50,752	161,750	(6,188,621)	(3,766,081)
Total Net Assets	\$ 27,151,375	\$ 25,195,761	\$ 122,236	\$ 259,300	\$ 27,273,611	\$ 25,455,061

Capital assets, net of related debt reported on the government-wide statements represents a large component of net assets. Capital assets include land, land improvements, buildings and improvements, furniture, equipment and fixtures, vehicles and library and textbooks, all of which are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net assets, \$22,854,437, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$969,281 is restricted for debt service payments, \$19,750,648 is restricted for capital projects, \$649,943 is restricted for other purposes, \$418,792 is restricted for state funded programs, \$686,350 is restricted for federally funded programs and \$241,952 is restricted for student activities. The remaining deficit balance of net assets of \$6,239,373 for governmental activities and positive balance of \$50,752 for business-type activities is unrestricted.

Elyria City School District
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Governmental Activities

Governmental activities increased the School District's net assets by \$1,955,614, thereby accounting for 8 percent of the total increase in net assets of the School District. Key elements of this increase are as follows:

- Elyria City School District depends on both property taxes and State funding.
- Several revenue sources fund our governmental activities with property tax and State foundation revenues being the largest contributors. Property tax levies generated over \$29.5 million in 2009. General revenues from grants and entitlements, such as the school foundation program, generated over \$38.8 million. Due to the combination of taxes and intergovernmental funding representing nearly 80 percent of all revenues, the School District monitors both of these sources very closely for fluctuations.

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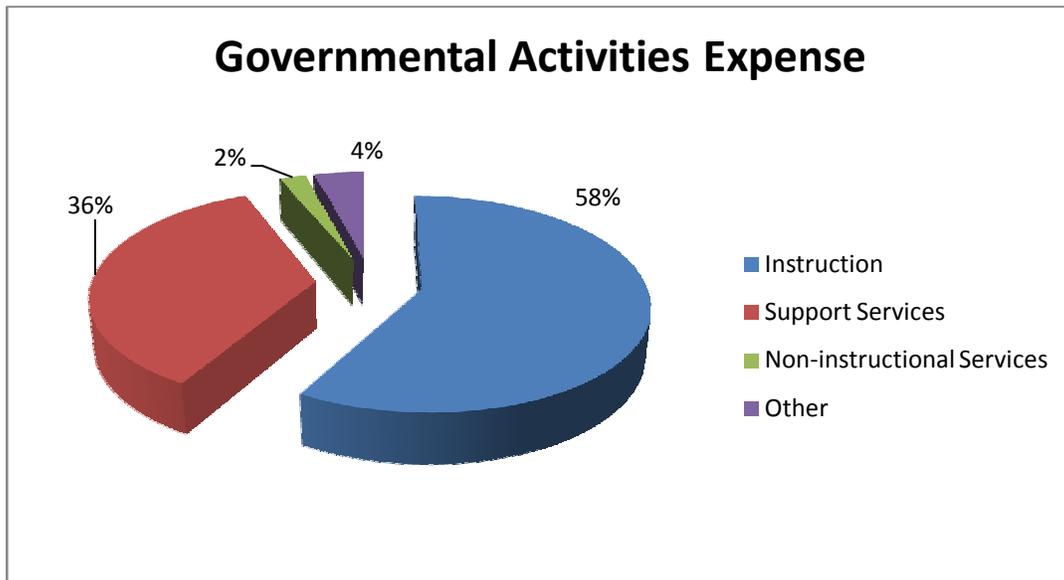
Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
		Restated		Restated		Restated
	2009	2008	2009	2008	2009	2008
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 2,173,442	\$ 2,432,700	\$ 853,561	\$ 830,195	\$ 3,027,003	\$ 3,262,895
Operating Grants	12,118,484	15,876,510	2,262,488	2,289,921	14,380,972	18,166,431
Capital Grants	1,476,917	20,837	0	0	1,476,917	20,837
<i>General Revenue:</i>						
Property Taxes	29,534,267	31,214,265	0	0	29,534,267	31,214,265
Grants and Entitlements	38,831,619	53,735,625	0	0	38,831,619	53,735,625
Investment Earnings	244,585	2,392,798	565	1,251	245,150	2,394,049
Miscellaneous	879,005	671,330	0	0	879,005	671,330
Total Revenues	85,258,319	106,344,065	3,116,614	3,121,367	88,374,933	109,465,432
Program Expenses						
<i>Instruction:</i>						
Regular	29,986,308	33,710,202	0	0	29,986,308	33,710,202
Special	10,744,900	10,604,886	0	0	10,744,900	10,604,886
Vocational	227,995	359,157	0	0	227,995	359,157
Adult	73,475	63,512	0	0	73,475	63,512
Student Intervention Services	675,918	638,592	0	0	675,918	638,592
Other	6,673,943	6,234,168	0	0	6,673,943	6,234,168
<i>Support Services:</i>						
Pupils	4,185,131	4,748,054	0	0	4,185,131	4,748,054
Instructional Staff	5,144,944	5,094,128	0	0	5,144,944	5,094,128
Board of Education	104,943	51,691	0	0	104,943	51,691
Administrative	5,002,750	5,363,883	0	0	5,002,750	5,363,883
Fiscal	1,730,692	1,712,373	0	0	1,730,692	1,712,373
Business	664,862	787,272	0	0	664,862	787,272
Operation and Maintenance of plant	7,833,498	8,570,873	0	0	7,833,498	8,570,873
Pupil Transportation	3,198,960	3,236,629	0	0	3,198,960	3,236,629
Central	1,364,039	1,296,655	0	0	1,364,039	1,296,655
Operation of Non-Instructional	1,760,690	1,806,047	0	0	1,760,690	1,806,047
Extracurricular Activities	1,425,979	1,223,070	0	0	1,425,979	1,223,070
Interest and Fiscal Charges	2,503,678	2,161,303	0	0	2,503,678	2,161,303
Lunchroom/cafeteria	0	0	3,253,678	3,144,251	3,253,678	3,144,251
Total Expenses	83,302,705	87,662,495	3,253,678	3,144,251	86,556,383	90,806,746
Changes in Net Assets	1,955,614	18,681,570	(137,064)	(22,884)	1,818,550	18,658,686
<i>Net Assets Beginning of Year</i>	<u>25,195,761</u>	<u>6,514,191</u>	<u>259,300</u>	<u>282,184</u>	<u>25,455,061</u>	<u>6,796,375</u>
<i>Net Assets End of Year</i>	<u>\$ 27,151,375</u>	<u>\$ 25,195,761</u>	<u>\$ 122,236</u>	<u>\$ 259,300</u>	<u>\$ 27,273,611</u>	<u>\$ 25,455,061</u>

Elyria City School District
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- Expenses decreased during the current fiscal year, approximately \$4,250,363. This decrease was not due to any one function.
- A review of the change in net assets table reflects that the total cost of instructional services was \$48,382,757 or 58 percent of governmental program expenses. Instructional expenses include activities directly related to the teaching of pupils and the interaction between teacher and pupil. As compared to the prior year, these expenses decreased \$3,227,978, or 6 percent.
- Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$9,330,075 of the total governmental program expenses, or 11 percent. These expenses decreased over the prior year in the amount of \$512,107, or 6 percent.



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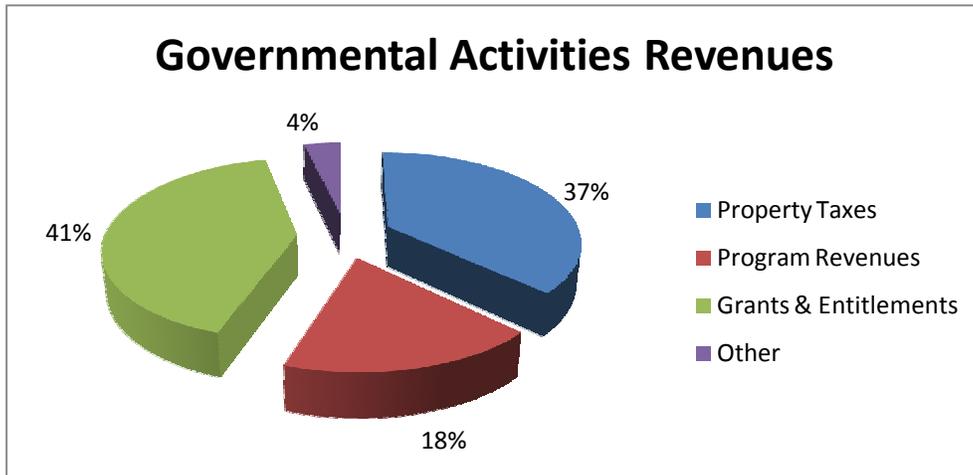
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below shows, for governmental and business-type activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services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

	Program Expenses					
	2009		2008		Net Change	
	Total Cost of Services	Net Cost of Services	Total Cost of Services Restated	Net Cost of Services Restated	Total Cost of Services	Net Cost of Services
Governmental Activities:						
<i>Instructions</i>						
Regular	\$ 29,986,308	\$ (28,011,312)	\$ 33,710,202	\$ (30,183,034)	\$ 3,723,894	\$ (2,171,722)
Special	10,744,900	(4,820,064)	10,604,886	(4,427,451)	(140,014)	392,613
Vocational	227,995	(2,625)	359,157	(359,157)	131,162	(356,532)
Adult	73,475	(4,155)	63,512	19,946	(9,963)	24,101
Student Intervention Services	675,918	(675,918)	638,592	(638,592)	(37,326)	37,326
Other	6,673,943	(6,673,943)	6,234,168	(5,613,924)	(439,775)	1,060,019
<i>Support Services:</i>						
Pupils	4,185,131	(3,535,553)	4,748,054	(3,099,659)	562,923	435,894
Instructional staff	5,144,944	(2,505,968)	5,094,128	(2,656,249)	(50,816)	(150,281)
Board of Education	104,943	(104,943)	51,691	(51,691)	(53,252)	53,252
Administration	5,002,750	(4,599,988)	5,363,883	(4,637,738)	361,133	(37,750)
Fiscal	1,730,692	(1,673,398)	1,712,373	(1,686,022)	(18,319)	(12,624)
Business	664,862	(664,862)	787,272	(787,272)	122,410	(122,410)
Operation and maintenance of plant	7,833,498	(5,795,739)	8,570,873	(8,056,184)	737,375	(2,260,445)
Pupil Transportation	3,198,960	(3,040,835)	3,236,629	(2,527,095)	37,669	513,740
Central	1,364,039	(1,255,617)	1,296,655	(1,178,786)	(67,384)	76,831
Operation on non-instructional services	1,760,690	(584,821)	1,806,047	(532,417)	45,357	52,404
Extracurricular Activities	1,425,979	(1,080,443)	1,223,070	(755,820)	(202,909)	324,623
Interest and fiscal charges	2,503,678	(2,503,678)	2,161,303	(2,161,303)	(342,375)	342,375
Total Governmental Activities	83,302,705	(67,533,862)	87,662,495	(69,332,448)	4,359,790	(1,798,586)
Business-Type Activities:						
Lunchroom/cafeteria	3,253,678	(137,629)	3,144,251	1,058	(109,427)	138,687
Total Expenses	\$ 86,556,383	\$ (67,671,491)	\$ 90,806,746	\$ (69,331,390)	\$ 4,250,363	\$ (1,659,899)

The large increase in the net cost of services in operation and maintenance of plant is primarily from local contributions to help fund the local share of the OSFC project.

Elyria City School District
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The dependence upon tax revenues for governmental activities is apparent. The net cost of the programs of \$(67,533,862) was supported by mostly by property taxes. Program revenues totaled \$15,768,843 accounting for 23 percent of all governmental expenses. Program revenues include charges for services, grants and contributions that are program specific. The community, as a whole, is the primary support for Elyria City School District students.



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 return to voters to maintain a constant level of service. Property taxes made up 35 percent of revenue for governmental activities for Elyria City School District in fiscal year 2009, a 5 percent decrease from the prior year.

Elyria City School District
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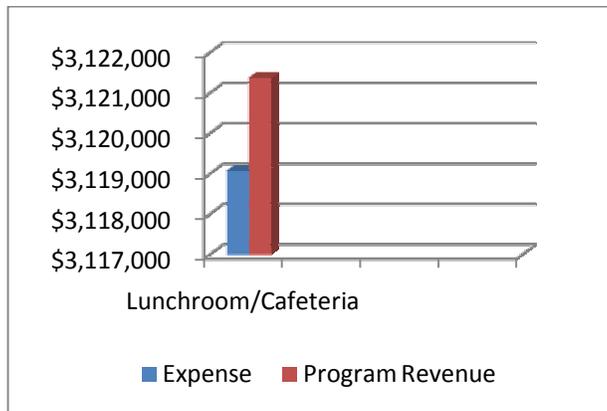
Business-Type Activity

Business-type activity decreased the School District's net assets by \$137,064. The only business-type activity for the School District was lunchroom/cafeteria. Key elements of this slight increase are as follows:

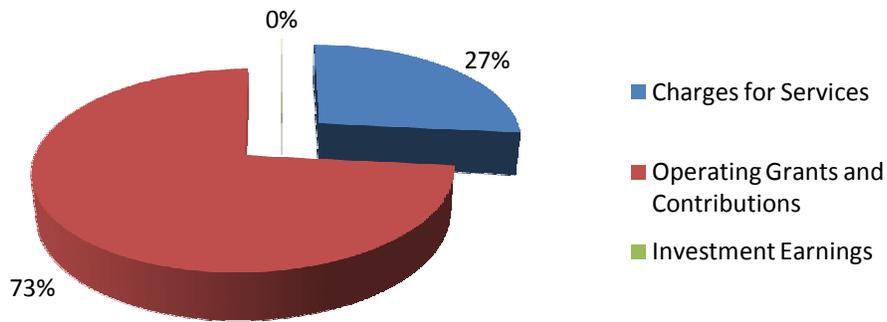
Charges for services for 2009 increased by \$23,366 and sales and operating grants and contributions decreased \$27,433.

Expenses increased by \$109,427. Most of the increase could be accounted from purchased services.

**Expense and Program Revenues
Business-Type Activities**



Business-Type Activities Revenues



Elyria City School District
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Financial Analysis of the Governmental Funds

Governmental Funds Information about the School District's governmental funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues other financing sources of \$106,957,856 and expenditures other financing uses of \$100,612,480. The total governmental fund balance increased \$6,345,376. The net change in governmental fund balance for the year was most significant in the classroom facilities fund, where the capital classroom facilities fund's fund balance increased by \$12,895,868 for fiscal year 2009. This was due to receiving more of OSFC grant money than expended during the year.

	Fund Balance June 30, 2009	Fund Balance June 30, 2008 Restated	Increase/ (Decrease)	Percent Change
General	\$ (1,539,830)	\$ 910,230	\$ (2,450,060)	-269.17%
Classroom facilities	48,723,599	35,827,731	12,895,868	35.99%
Other governmental	6,217,977	10,318,409	(4,100,432)	-39.74%
Total	\$ 53,401,746	\$ 47,056,370	\$ 6,345,376	

The general fund is the chief operating fund of the School District. At the end of the current fiscal year, unreserved fund balance of the general fund was a deficit of \$3,682,599, while total fund balance decreased to a deficit of \$1,539,830. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total expenditures. As of fiscal year ending June 30, 2009 both of these balances were in a deficit position. These deficit balances were caused by the application of generally accepted accounting principles.

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Change in Financial Activities for the General Fund

	2009 Amount	2008 Amount Restated	Increase/ Decrease	Percent Change
Revenues:				
Property Taxes	\$ 26,394,471	\$ 28,998,446	\$ (2,603,975)	-8.98%
Intergovernmental	36,967,303	32,917,640	4,049,663	12.30%
Interest	244,585	620,552	(375,967)	-60.59%
Tuition and Fees	1,238,338	1,664,977	(426,639)	-25.62%
Extracurricular Activities	10,828	5,193	5,635	108.51%
Gifts and Donations	90,056	0	90,056	0.00%
Rent	76,178	74,311	1,867	2.51%
Miscellaneous	766,228	382,120	384,108	100.52%
Total	<u>\$ 65,787,987</u>	<u>\$ 64,663,239</u>	<u>\$ 1,124,748</u>	
Expenditures:				
Instruction	\$ 40,664,107	\$ 40,195,191	\$ 468,916	1.17%
Support Services	21,489,181	22,061,478	(572,297)	-2.59%
Non-Instructional Services	456,192	600,581	(144,389)	-24.04%
Extracurricular Activities	965,079	770,361	194,718	25.28%
Capital Outlay	427,194	57,195	369,999	646.91%
Debt Service	918,996	827,771	91,225	11.02%
Total	<u>\$ 64,920,749</u>	<u>\$ 64,512,577</u>	<u>\$ 408,172</u>	

Key factor in this decrease of fund balance for the general fund is as follows:

- The large decrease in fund balance of \$2.4 million was primarily due to the transfer of \$3,324,286 to other funds to offset operating costs of those funds (See Note 8 for more detail).

Proprietary Funds The School District's proprietary funds provides the same type of information found in the government-wide financial statements, but in more detail. Information about the School District's proprietary funds starts on page 24.

Lunchroom/cafeteria net assets decreased slightly during the current fiscal year. The key elements of the increase are not due to any one item.

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General Fund Budgeting Highlights

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

During the course of fiscal year 2009 the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, budget basis revenue was \$71,239,196, which was the same as the original budget. The final amended budget appropriations of the general fund were \$66,826,088, which is \$1,957,402 more than original budget appropriations of \$64,868,686, this represents only a 3 percent change.

Actual revenue for the general fund was \$67,347,668, which was a decrease \$3,891,528 as compared to the final budget estimate. This decrease was mainly attributed to a decrease in intergovernmental revenue. Intergovernmental revenue fluctuates year to year and is budgeted on a conservative basis to avoid overestimating revenue.

Capital Assets and Debt Administration

Capital Assets The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amount to \$26.7 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, improvements, buildings, equipment, furniture and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was 75 percent, primarily from the capitalization of costs related to the OSFC project. While governmental activities increased by 76 percent, the business-type activities decreased by 27 percent from the recognition of depreciation expenses.

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land and improvements	\$ 6,151,366	\$ 6,133,086	\$ 0	\$ 0	\$ 6,151,366	\$ 6,133,086
Buildings and improvements	5,327,258	5,858,571	0	0	5,327,258	5,858,571
Furniture, fixtures & equipment	716,040	727,724	71,484	97,550	787,524	825,274
Vehicles	27,003	34,343	0	0	27,003	34,343
Construction in progress	14,404,689	2,401,385	0	0	14,404,689	2,401,385
Total capital assets, net	\$ 26,653,359	\$ 15,189,452	\$ 71,484	\$ 97,550	\$ 26,724,843	\$ 15,287,002

Additional information on the School District's capital assets can be found in note 9 of the basic financial statements.

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Debt Administration At June 30, 2009 the School District had general obligation bonds outstanding of \$45,754,133, with \$595,000 due within one year. Also, the School District has capital lease obligations of \$5,845,974, with \$555,874 due within one year. The School District has budgeted to meet all of its debt requirements.

Additional information on the School District's debt administration can be found in notes 10 and 11 of the basic financial statements.

Current Financial Related Activities

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

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

Elyria School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The School District has first participated in the GFOA Certificate of Achievement for Excellence in Financial Reporting program in 1999.

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

Contacting the School District's Financial Management

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

Elyria City School District
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 64,196,506	\$ 47,078	\$ 64,243,584
Cash and Investments in Segregated Accounts	160,129	0	160,129
Receivables:			
Taxes	31,878,129	0	31,878,129
Accounts	378,657	0	378,657
Accrued Interest	417,994	0	417,994
Intergovernmental	3,136,754	268,919	3,405,673
Inventory Held For Resale	0	18,805	18,805
Materials and Supplies Inventory	0	4,660	4,660
Deferred Charges	171,426	0	171,426
Nondepreciable Capital Assets	20,195,497	0	20,195,497
Depreciable Capital Assets, Net	6,430,859	71,484	6,502,343
<i>Total Assets</i>	<u>126,965,951</u>	<u>410,946</u>	<u>127,376,897</u>
Liabilities			
Accounts Payable	690,555	17,223	707,778
Contracts Payable	3,368,242	0	3,368,242
Accrued Wages and Benefits	6,955,867	126,101	7,081,968
Matured Compensated Absences Payable	77,926	0	77,926
Retainage Payable	160,129	0	160,129
Accrued Interest	176,824	0	176,824
Intergovernmental Payable	2,037,055	85,961	2,123,016
Deferred Revenue	27,663,083	0	27,663,083
Claims Payable	480,335	0	480,335
Due Within One Year	2,248,645	0	2,248,645
Due in More Than One Year	55,955,915	59,425	56,015,340
<i>Total Liabilities</i>	<u>99,814,576</u>	<u>288,710</u>	<u>100,103,286</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	10,536,311	71,484	10,607,795
Restricted for:			
Capital Projects	19,750,648	0	19,750,648
Debt Service	969,281	0	969,281
Set Asides	137,471	0	137,471
Other Purposes	649,943	0	649,943
State Funded Programs	418,792	0	418,792
Federally Funded Programs	686,350	0	686,350
Student Activities	241,952	0	241,952
Unrestricted	(6,239,373)	50,752	(6,188,621)
<i>Total Net Assets</i>	<u>\$ 27,151,375</u>	<u>\$ 122,236</u>	<u>\$ 27,273,611</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities	Business-Type Activities	
Governmental Activities							
Instruction:							
Regular	\$ 29,986,308	\$ 1,793,026	\$ 181,970	\$ 0	\$ (28,011,312)	\$ 0	\$ (28,011,312)
Special	10,744,900	0	5,924,836	0	(4,820,064)	0	(4,820,064)
Vocational	227,995	0	225,370	0	(2,625)	0	(2,625)
Adult/Continuing Education	73,475	0	69,320	0	(4,155)	0	(4,155)
Student Intervention Services	675,918	0	0	0	(675,918)	0	(675,918)
Other	6,673,943	0	0	0	(6,673,943)	0	(6,673,943)
Support Services:							
Pupils	4,185,131	0	649,578	0	(3,535,553)	0	(3,535,553)
Instructional Staff	5,144,944	0	2,638,976	0	(2,505,968)	0	(2,505,968)
Board of Education	104,943	0	0	0	(104,943)	0	(104,943)
Administration	5,002,750	0	402,762	0	(4,599,988)	0	(4,599,988)
Fiscal	1,730,692	0	0	57,294	(1,673,398)	0	(1,673,398)
Business	664,862	0	0	0	(664,862)	0	(664,862)
Operation and Maintenance of Plant	7,833,498	76,178	584,371	1,377,210	(5,795,739)	0	(5,795,739)
Pupil Transportation	3,198,960	0	115,712	42,413	(3,040,835)	0	(3,040,835)
Central	1,364,039	0	108,422	0	(1,255,617)	0	(1,255,617)
Operation of Non-Instructional Services:							
Food Service Operations	37,454	0	0	0	(37,454)	0	(37,454)
Community Services	1,723,236	0	1,175,869	0	(547,367)	0	(547,367)
Extracurricular Activities	1,425,979	304,238	41,298	0	(1,080,443)	0	(1,080,443)
Interest and Fiscal Charges	2,503,678	0	0	0	(2,503,678)	0	(2,503,678)
<i>Total Governmental Activities</i>	<u>83,302,705</u>	<u>2,173,442</u>	<u>12,118,484</u>	<u>1,476,917</u>	<u>(67,533,862)</u>	<u>0</u>	<u>(67,533,862)</u>
Business-Type Activities							
Food Service	3,253,678	853,561	2,262,488	0	0	(137,629)	(137,629)
<i>Totals</i>	<u>\$ 86,556,383</u>	<u>\$ 3,027,003</u>	<u>\$ 14,380,972</u>	<u>\$ 1,476,917</u>	<u>(67,533,862)</u>	<u>(137,629)</u>	<u>(67,671,491)</u>
General Revenues							
Property Taxes Levied for:							
General Purposes					26,727,846	0	26,727,846
Debt Service					2,398,152	0	2,398,152
Other Purposes					408,269	0	408,269
Grants and Entitlements not Restricted to Specific Programs					38,831,619	0	38,831,619
Investment Earnings					244,585	565	245,150
Miscellaneous					879,005	0	879,005
<i>Total General Revenues</i>					<u>69,489,476</u>	<u>565</u>	<u>69,490,041</u>
<i>Change in Net Assets</i>					1,955,614	(137,064)	1,818,550
<i>Net Assets Beginning of Year - Restated (See Note 18)</i>					<u>25,195,761</u>	<u>259,300</u>	<u>25,455,061</u>
<i>Net Assets End of Year</i>					<u>\$ 27,151,375</u>	<u>\$ 122,236</u>	<u>\$ 27,273,611</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Balance Sheet
Governmental Funds
June 30, 2009

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 4,275,018	\$ 51,392,515	\$ 7,711,757	\$ 63,379,290
Restricted Cash and Investments	137,471	0	0	137,471
Cash and Investments in Segregated Accounts	0	160,129	0	160,129
Receivables:				
Taxes	28,751,431	0	3,126,698	31,878,129
Accounts	377,713	0	944	378,657
Interfund	1,742	0	800,000	801,742
Accrued Interest	30,740	387,254	0	417,994
Intergovernmental	352,417	1,848,108	936,229	3,136,754
<i>Total Assets</i>	<u>\$ 33,926,532</u>	<u>\$ 53,788,006</u>	<u>\$ 12,575,628</u>	<u>\$ 100,290,166</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 388,700	\$ 79,946	\$ 221,909	\$ 690,555
Contracts Payable	0	2,976,224	392,018	3,368,242
Accrued Wages and Benefits	5,788,784	0	1,163,898	6,952,682
Matured Compensated Absences Payable	0	0	77,926	77,926
Retainage Payable	0	160,129	0	160,129
Interfund Payable	0	0	801,742	801,742
Intergovernmental Payable	1,688,276	0	343,755	2,032,031
Deferred Revenue	27,600,602	1,848,108	3,356,403	32,805,113
<i>Total Liabilities</i>	<u>35,466,362</u>	<u>5,064,407</u>	<u>6,357,651</u>	<u>46,888,420</u>
Fund Balances				
Fund Balances:				
Reserved for Encumbrances	502,052	32,878,684	3,585,510	36,966,246
Reserved for Property Taxes	1,503,246	0	172,722	1,675,968
Reserved for Textbooks	137,471	0	0	137,471
Unreserved Undesignated, Reported in:				
General Fund	(3,682,599)	0	0	(3,682,599)
Special Revenue Funds	0	0	756,444	756,444
Debt Service Fund	0	0	829,503	829,503
Capital Projects Funds	0	15,844,915	873,798	16,718,713
<i>Total Fund Balances</i>	<u>(1,539,830)</u>	<u>48,723,599</u>	<u>6,217,977</u>	<u>53,401,746</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 33,926,532</u>	<u>\$ 53,788,006</u>	<u>\$ 12,575,628</u>	<u>\$ 100,290,166</u>

See accompanying notes to the basic financial statements.

Elyria City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2009*

Total Governmental Fund Balances \$ 53,401,746

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 26,626,356

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Grants	\$ 2,602,952
Delinquent Property Taxes	<u>2,539,078</u>

Total 5,142,030

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. 171,426

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. (176,824)

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 191,201

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Capital Leases Payable	(5,845,974)
School Facilities Note	(44,170,000)
Capital Appreciation Bonds	(749,971)
Bond Accretion	(267,507)
Unamortized Bond Premium	(566,655)
Compensated Absences	<u>(6,604,453)</u>

Total (58,204,560)

Net Assets of Governmental Activities \$ 27,151,375

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 26,394,471	\$ 0	\$ 2,771,483	\$ 29,165,954
Intergovernmental	36,967,303	18,469,749	12,891,892	68,328,944
Investment Income	244,585	689,973	569,830	1,504,388
Tuition and Fees	1,238,338	0	250,053	1,488,391
Rent	76,178	0	0	76,178
Extracurricular Activities	10,828	0	293,413	304,241
Gifts and Donations	90,056	0	738,583	828,639
Miscellaneous	766,228	0	116,290	882,518
<i>Total Revenues</i>	<u>65,787,987</u>	<u>19,159,722</u>	<u>17,631,544</u>	<u>102,579,253</u>
Expenditures				
Current:				
Instruction:				
Regular	25,762,394	0	4,198,481	29,960,875
Special	8,010,856	0	2,397,332	10,408,188
Vocational	214,658	0	11,949	226,607
Adult/Continuing Education	0	0	72,801	72,801
Student Intervention Services	0	0	675,918	675,918
Other	6,676,199	0	0	6,676,199
Support Services:				
Pupils	2,763,890	0	1,318,111	4,082,001
Instructional Staff	2,089,792	0	2,848,045	4,937,837
Board of Education	104,943	0	0	104,943
Administration	3,993,908	0	765,828	4,759,736
Fiscal	1,661,534	0	52,556	1,714,090
Business	646,906	0	0	646,906
Operation and Maintenance of Plant	6,307,535	0	561,795	6,869,330
Pupil Transportation	2,897,325	0	301,635	3,198,960
Central	1,023,348	0	302,836	1,326,184
Extracurricular Activities	965,079	0	438,994	1,404,073
Operation of Non-instructional Services:				
Community Services	456,192	0	1,391,494	1,847,686
Capital Outlay	427,194	9,011,000	3,063,193	12,501,387
Debt Service:				
Principal Retirement	679,594	0	80,000	759,594
Interest and Fiscal Charges	239,402	0	2,123,488	2,362,890
<i>Total Expenditures</i>	<u>64,920,749</u>	<u>9,011,000</u>	<u>20,604,456</u>	<u>94,536,205</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>867,238</u>	<u>10,148,722</u>	<u>(2,972,912)</u>	<u>8,043,048</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	2,328	0	0	2,328
Transfers In	4,660	2,747,146	1,624,469	4,376,275
Transfers Out	(3,324,286)	0	(2,751,989)	(6,076,275)
<i>Total Other Financing Sources</i>	<u>(3,317,298)</u>	<u>2,747,146</u>	<u>(1,127,520)</u>	<u>(1,697,672)</u>
<i>Net Change in Fund Balances</i>	<u>(2,450,060)</u>	<u>12,895,868</u>	<u>(4,100,432)</u>	<u>6,345,376</u>
<i>Fund Balances Beginning of Year - Restated (See Note 18)</i>	<u>910,230</u>	<u>35,827,731</u>	<u>10,318,409</u>	<u>47,056,370</u>
<i>Fund Balances End of Year</i>	<u>\$ (1,539,830)</u>	<u>\$ 48,723,599</u>	<u>\$ 6,217,977</u>	<u>\$ 53,401,746</u>

See accompanying notes to the basic financial statements.

Elyria City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2009*

Net Change in Fund Balances - Total Governmental Funds \$ 6,345,376

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

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

Capital Asset Additions	\$ 12,282,038	
Current Year Depreciation	<u>(770,995)</u>	11,511,043

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

(39,796)

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

Grants	(17,685,735)	
Delinquent Property Taxes	368,313	
Miscellaneous	<u>(5,840)</u>	(17,323,262)

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

Accrued Interest	267	
Accretion on Capital Appreciation Bonds	(163,526)	
Bond Issuance Costs	(9,747)	
Bond Premium	<u>32,218</u>	(140,788)

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

General Obligation Bonds	80,000	
Capital Leases	<u>679,594</u>	759,594

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

332,953

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

510,494

Change in Net Assets of Governmental Activities

\$ 1,955,614

See accompanying notes to the basic financial statements.

Elyria City School District
*Statement of Revenues, Expenditures, and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 28,240,856	\$ 28,240,856	\$ 28,244,318	\$ 3,462
Intergovernmental	40,662,769	40,662,769	36,979,347	(3,683,422)
Investment Income	361,006	361,006	328,304	(32,702)
Tuition and Fees	1,426,302	1,426,302	1,297,101	(129,201)
Extracurricular Activities	11,907	11,907	10,828	(1,079)
Rentals	83,766	83,766	76,178	(7,588)
Contributions and Donations	87,891	87,891	79,929	(7,962)
Miscellaneous	364,699	364,699	331,663	(33,036)
<i>Total Revenues</i>	71,239,196	71,239,196	67,347,668	(3,891,528)
Expenditures				
Current:				
Instruction:				
Regular	29,728,243	30,712,924	26,140,552	4,572,372
Special	7,632,976	7,631,262	8,012,482	(381,220)
Vocational	0	0	237,322	(237,322)
Other	6,230,181	6,230,181	6,603,686	(373,505)
Support Services:				
Pupils	3,382,892	3,397,791	2,858,795	538,996
Instructional Staff	2,307,112	2,304,937	2,168,291	136,646
Board of Education	128,612	133,112	106,559	26,553
Administration	3,440,361	3,457,910	4,137,047	(697,137)
Fiscal	1,903,175	1,804,980	1,797,415	7,565
Business	402,829	399,914	783,366	(383,452)
Operation and Maintenance of Plant	5,541,243	6,148,072	6,587,589	(439,517)
Pupil Transportation	2,589,716	2,589,716	3,047,622	(457,906)
Central	523,041	537,159	1,081,868	(544,709)
Operation of Non-Instructional Services:				
Food Operations	4,304	4,304	318,623	(314,319)
Community Services	300,642	325,642	265,758	59,884
Extracurricular Activities	86,615	87,265	884,004	(796,739)
Capital Outlay	14,460	430,635	427,194	3,441
Debt Service:				
Principal Retirement	432,324	410,324	410,324	0
Interest and Fiscal Charges	219,960	219,960	220,210	(250)
<i>Total Expenditures</i>	64,868,686	66,826,088	66,088,707	737,381
<i>Excess of Revenues (Under) Expenditures</i>	6,370,510	4,413,108	1,258,961	(3,154,147)
Other Financing Sources				
Proceeds from Sale of Capital Assets	2,560	2,560	2,328	(232)
Refund of Prior Year Expenditures	939,242	939,242	854,161	(85,081)
Advances In	87,079	87,079	79,191	(7,888)
Advances Out	(250,000)	(250,000)	(55,469)	194,531
Transfers In	11,976	11,976	10,891	(1,085)
Transfers Out	(3,580,592)	(3,580,592)	(3,356,822)	223,770
<i>Total Other Financing Sources</i>	(2,789,735)	(2,789,735)	(2,465,720)	324,015
<i>Net Change in Fund Balance</i>	3,580,775	1,623,373	(1,206,759)	(2,830,132)
<i>Fund Balance Beginning of Year</i>	3,174,190	3,174,190	3,174,190	0
Prior Year Encumbrances Appropriated	1,554,306	1,554,306	1,554,306	0
<i>Fund Balance End of Year</i>	\$ 8,309,271	\$ 6,351,869	\$ 3,521,737	\$ (2,830,132)

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Fund Net Assets
Proprietary Fund
June 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Assets		
<i>Current Assets</i>		
Equity in Pooled Cash and Investments	\$ 47,078	\$ 679,745
Intergovernmental Receivable	268,919	0
Inventory Held For Resale	18,805	0
Materials and Supplies	4,660	0
<i>Total Current Assets</i>	339,462	679,745
<i>Non-Current Assets</i>		
Depreciable Capital Assets (Net)	71,484	0
<i>Total Assets</i>	410,946	679,745
Liabilities		
<i>Current Liabilities</i>		
Accounts Payable	17,223	0
Contracts Payable	0	0
Accrued Wages and Benefits	126,101	3,185
Intergovernmental Payable	85,961	5,024
Claims Payable	0	480,335
<i>Total Current Liabilities</i>	229,285	488,544
Long Term Liabilities		
Compensated Absences	59,425	0
<i>Total Liabilities</i>	288,710	488,544
Net Assets		
Invested in Capital Assets	71,484	0
Unrestricted	50,752	\$ 191,201
<i>Total Net Assets</i>	\$ 122,236	\$ 191,201

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Operating Revenues		
Sales	\$ 853,561	\$ 0
Charges for Services	0	6,260,359
<i>Total Operating Revenues</i>	<u>853,561</u>	<u>6,260,359</u>
Operating Expenses		
Salaries	824,465	47,346
Fringe benefits	401,813	219,974
Purchased services	1,728,483	361,705
Materials and supplies	267,356	0
Depreciation	31,561	0
Claims	0	6,828,117
<i>Total Operating Expenses</i>	<u>3,253,678</u>	<u>7,457,142</u>
Operating (Loss)	<u>(2,400,117)</u>	<u>(1,196,783)</u>
Non-Operating Revenues:		
Intergovernmental	2,262,488	0
Interest	565	7,277
<i>Total Non-Operating Revenues</i>	<u>2,263,053</u>	<u>7,277</u>
<i>Loss Before Transfers</i>	(137,064)	(1,189,506)
Transfers in	0	1,700,000
<i>Change in Net Assets</i>	(137,064)	510,494
<i>Net Assets Beginning of Year - Restated (See Note 18)</i>	<u>259,300</u>	<u>(319,293)</u>
<i>Net Assets End of Year</i>	<u>\$ 122,236</u>	<u>\$ 191,201</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 853,561	\$ 6,260,359
Cash Paid for Goods and Services	(1,716,973)	(361,705)
Cash Paid for Material and Supplies	(104,460)	0
Cash Paid to Employees	(829,490)	(47,353)
Cash Paid to Employee Benefits	(323,592)	(220,683)
Cash Payments for Claims	0	(7,856,482)
<i>Net Cash Used for Operating Activities</i>	<u>(2,120,954)</u>	<u>(2,225,864)</u>
Cash Flows From Non-Capital Financing Activities:		
Transfers from Other Funds	0	1,700,000
Grants Received	2,117,064	0
<i>Net Cash Provided By Non-Capital Activities</i>	<u>2,117,064</u>	<u>1,700,000</u>
Cash Flows From Investing Activities:		
Interest on Investments	565	7,277
<i>Net Cash Provided By Investing Activities</i>	<u>565</u>	<u>7,277</u>
Cash Flows From Capital and Financing Related Activities:		
Payment for Capital Acquisitions	(5,713)	0
<i>Net Cash Provided By (Used For) Capital and Related Financing Activities</i>	<u>(5,713)</u>	<u>0</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(9,038)	(518,587)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>56,116</u>	<u>1,198,332</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 47,078</u>	<u>\$ 679,745</u>

Elyria City School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
<i>Operating Loss</i>	\$ (2,400,117)	\$ (1,196,783)
Adjustments:		
Depreciation	31,561	0
Loss on Disposal of Capital Assets	218	0
Federal Donated Commodities	148,182	0
(Increase) Decrease Assets		
Inventory	14,714	0
Increase (Decrease) in Liabilities:		
Accounts Payable	15,736	0
Accrued Wages and Benefits	(5,025)	(7)
Compensated Absences Payable	(6,715)	0
Intergovernmental Payable	80,492	(709)
Claims Payable	0	(1,028,365)
	279,163	(1,029,081)
<i>Total Adjustments</i>		
<i>Net Cash Used for Operating Activities</i>	\$ (2,120,954)	\$ (2,225,864)

Non-Cash Transactions

During fiscal year 2009, the Food Service enterprise fund received donated commodities in the amount of \$148,182.

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Investments	\$ 317,002	\$ 196,744
Accounts Receivable	0	125
<i>Total Assets</i>	<u>\$ 317,002</u>	<u>\$ 196,869</u>
Liabilities		
Accounts Payable	\$ 0	\$ 4,774
Due to Students	0	192,095
<i>Total Liabilities</i>	<u>0</u>	<u>\$ 196,869</u>
Net Assets		
Held in Trust for Scholarships	<u>\$ 317,002</u>	
<i>Total Net Assets</i>	<u>\$ 317,002</u>	

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, 2009

	Private Purpose Trust
	Scholarship
Additions	
Gifts and Contributions	\$ 16,236
Interest	340
	16,576
<i>Total Additions</i>	16,576
Deductions	
Payments in Accordance with Trust Agreements	1,999
	14,577
<i>Change in Net Assets</i>	14,577
<i>Net Assets Beginning of Year</i>	302,425
<i>Net Assets End of Year</i>	\$ 317,002

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, 2009

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

The Elyria City School District (the School District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a school district as defined by Section 3311.02 of the Ohio Revised Code. The School District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the School District. Average daily membership on, or as of, October 1, 2008, was 7,289. The School District employs 714 certificated and 324 non-certificated employees.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the Elyria City School District, this includes general operations, food service and student related activities of the School District.

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

The School District is involved with Lake Erie Educational Computer Association (LEECA), which is defined as jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 15.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's 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.

Classroom Facilities Fund The Classroom Facilities Fund accounts for monies received and expended in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities.

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

Proprietary Funds

Proprietary funds focus on the determination of changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The School District's enterprise fund is:

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

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

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund activity.

D. Basis of Accounting

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). 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

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, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses/Expenditures

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.

E. Cash and Investments

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

During fiscal year 2009, investments were limited to certificates of deposit and STAR Ohio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2009. 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, 2009.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$244,585, which includes \$112,069 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as "equity in pooled cash and investments". Investments with an original maturity of more than three months that are not made from the pool are reported as "investments".

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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 is expensed when used.

G. Deferred Charges

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the dates received. The School District maintains a capitalization threshold of 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 not 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, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description	Governmental	Business-Type
	Activities	Activities
	Estimated Lives	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

I. Compensated Absences

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

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

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

J. Accrued Liabilities and Long-term Obligations

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

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Bond Premiums

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

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At June 30, 2009, none of the School District's net assets were restricted by enabling legislation. Net assets restricted for other purposes include instructional activities, grants and extracurricular activities.

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

M. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for 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 are established for encumbrances, textbooks and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for the employee self-insurance program. Operating expenses are necessary costs incurred to provide services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Activity

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2009.

Q. Estimates

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

R. Budgetary Data

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

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

S. Changes in Accounting Principles

For the year ended June 30, 2009, the School District has implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments," GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," and GASB Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards."

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards.

Implementation of these GASB Statements did not affect the presentation of the financial statements of the School District.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 3: FUND DEFICITS

Fund balances at June 30, 2009 included the following individual fund deficits:

	<u>Deficit</u>
Major Fund:	
General	\$ 1,539,830
Nonmajor Special Revenue Funds:	
Termination Benefits	64,132
Management Information System	1,047
Ohio Reads	3,460
Alternative Schools	955
Drug Free Schools Grant	1,399
Classroom Facilities Maintenance	539,907

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

NOTE 4: 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).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 4: BUDGETARY BASIS OF ACCOUNTING (Continued)

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

Net Change in Fund Balance	
GAAP basis	\$ (2,450,060)
Net adjustment for revenue accruals	2,413,836
Advance In	79,191
Net adjustment for expenditure accruals	(303,505)
Advance Out	(55,469)
Adjustment for encumbrances	<u>(890,752)</u>
Budget basis	<u>\$ (1,206,759)</u>

NOTE 5: DEPOSITS AND INVESTMENTS

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

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

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

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

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

- United States Treasury Notes, Bill, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and marked to market daily, and that the term of the agreement must not exceed 30 days;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasurer's investment pool (STAROhio);
- Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed 25 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.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of uninsured public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the School District's name. During 2009, the School District and public depositories complied with the provisions of these statutes.

ELYRIA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

Deposits with Financial Institutions

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

At fiscal year-end, the carrying amount of the School District's deposits was \$50,901,414. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of June 30, 2009, \$33,967,577 of the School District's bank balance of \$51,601,874 was exposed to custodial risk as discussed above, while \$18,447,475 was covered by Federal Deposit Insurance Corporation.

Investments

Investments are reported at fair value. As of June 30, 2009, the School District had the following investments:

	<u>Fair Value</u>
STAROhio	<u>\$ 14,016,045</u>

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

Credit Risk. STAROhio was rated AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 5: DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk. The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage to total of each investment type held by the School District at June 30, 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
STAR Ohio	<u>\$ 14,016,045</u>	<u>100.00%</u>

NOTE 6: 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 (used in business) located in the School District. Real property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2006, were levied after April 1, 2008 and are collected in 2009 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes.

Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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 District prior to June 30.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 6: PROPERTY TAXES (Continued)

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and communications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunication property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the School District due to the phasing out of the tax. In calendar years 2009-2010, the School District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes, which became measurable as of year-end. Although total property tax collections for the next fiscal year are measurable, only a portion of the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$1,503,246 in the general fund, \$147,834 in the bond retirement debt service fund and \$24,888 in the new classroom facilities maintenance special revenue fund and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities. There were no new levies passed during the current fiscal year. The assessed values upon which the current fiscal year taxes were collected are:

<u>Property Category</u>	<u>2009 Assessed Value</u>		<u>2008 Assessed Value</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real property:				
Agricultural/residential and other real estate	\$ 648,708,757	68.41%	\$ 648,931,130	66.10%
Commercial and industrial	277,213,670	29.23%	277,033,970	28.22%
Public utility	141,210	0.01%	150,790	0.02%
Tangible property:				
Personal property	1,595,675	0.17%	35,539,997	3.62%
Public property	20,633,480	2.18%	20,155,070	2.04%
Total assessed value	<u>\$ 948,292,792</u>	100.00%	<u>\$ 981,810,957</u>	100.00%

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 7: RECEIVABLES

Receivables at June 30, 2009 consisted of taxes, accounts (customer services and student fees), accrued interest, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All are expected to be received within one year.

Intergovernmental receivables consisted of the following for grants:

	<u>Amount</u>
Major Funds:	
General fund	\$ 352,417
Classroom Facilities	1,848,108
Total major funds	<u>2,200,525</u>
Nonmajor governmental funds:	
Ohio Reads	31,287
Alternative Schools	26,114
Title VI-B	242,027
Title III	1,308
Title I	494,747
Title VI	118,177
Drug Free Grant	6,053
IDEA	5,679
ABLE	10,837
Total nonmajor governmental funds	<u>936,229</u>
Total governmental funds	<u>\$ 3,136,754</u>

NOTE 8: INTERFUND ACTIVITY

A. Interfund Balances

Interfund balances at June 30, 2009 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Fund:		
General	\$ 1,742	\$ 0
Other Governmental:		
Ohio Reads	0	1,742
Building Fund	800,000	0
Classroom Facilities Maintenance	0	800,000
Totals	<u>\$ 801,742</u>	<u>\$ 801,742</u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 8: INTERFUND ACTIVITY (Continued)

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2009 are reported on the Statement of Net Assets.

B. Interfund Transfers

During the year, the general fund made transfers to the termination benefits fund and the internal service fund to provide additional resources for current operations. The building fund transferred \$2,747,146 to the classroom facilities fund, which represents the School District's local share of the Ohio School Facilities Commission project. The public school fund made residual equity transfers of \$4,660 and \$182 to the general fund the other grants fund, respectively.

	Transfers Out	Transfers In
	<u> </u>	<u> </u>
<i>Major Funds:</i>		
General	\$ 3,324,286	\$ 4,660
Classroom Facilities Fund	0	2,747,146
	<u>3,324,286</u>	<u>2,751,806</u>
<i>Non-Major Special Revenue Funds:</i>		
Building Fund	2,747,146	0
Public School Fund	4,843	0
Other Grants Fund	0	182
Termination Benefits Fund	0	1,624,287
	<u>2,751,989</u>	<u>1,624,469</u>
<i>Proprietary Fund:</i>		
Internal Service Fund	0	1,700,000
	<u>0</u>	<u>1,700,000</u>
Total	<u><u>\$ 6,076,275</u></u>	<u><u>\$ 6,076,275</u></u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Balance 7/1/2008	Additions	Deletions	Balance 6/30/2009
Governmental Activities				
<i>Capital Assets not being depreciated:</i>				
Land	\$ 5,735,808	\$ 55,000	\$ 0	\$ 5,790,808
Construction in progress	2,401,385	12,003,304	0	14,404,689
<i>Total capital assets, not being depreciated</i>	<u>8,137,193</u>	<u>12,058,304</u>	<u>0</u>	<u>20,195,497</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,913,456	0	0	1,913,456
Building and Improvements	29,678,905	1,672	0	29,680,577
Furniture and Equipment	6,029,784	222,062	(940,192)	5,311,654
Vehicles	503,665	0	0	503,665
Library and textbooks	1,679,422	0	0	1,679,422
<i>Total capital assets, being depreciated</i>	<u>39,805,232</u>	<u>223,734</u>	<u>(940,192)</u>	<u>39,088,774</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(1,516,178)	(36,720)	0	(1,552,898)
Building and Improvements	(23,820,334)	(532,985)	0	(24,353,319)
Furniture and Equipment	(5,302,060)	(193,950)	900,396	(4,595,614)
Vehicles	(469,322)	(7,340)	0	(476,662)
Library and textbooks	(1,679,422)	0	0	(1,679,422)
<i>Total accumulated depreciation</i>	<u>(32,787,316)</u>	<u>(770,995)</u>	<u>900,396</u>	<u>(32,657,915)</u>
<i>Total capital assets being depreciated, net</i>	<u>7,017,916</u>	<u>(547,261)</u>	<u>(39,796)</u>	<u>6,430,859</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 15,155,109</u>	<u>\$ 11,511,043</u>	<u>\$ (39,796)</u>	<u>\$ 26,626,356</u>
Business-Type Activities:				
Furniture, fixtures and equipment	\$ 555,455	\$ 5,713	\$ (5,697)	\$ 555,471
Less: accumulated depreciation	(457,905)	(31,561)	5,479	(483,987)
<i>Business-type activities capital assets, net</i>	<u>\$ 97,550</u>	<u>\$ (25,848)</u>	<u>\$ (218)</u>	<u>\$ 71,484</u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 9 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	210,357
Special		24,725
Vocational		126
Support services:		
Pupil		2,565
Instructional staff		18,546
Administration		32,978
Fiscal		
Operation maintenance and plant		404,805
Central		26,834
Operation of non-instructional services		24,295
Extracurricular activities		25,764
		<hr/>
Total depreciation expense	\$	<u>770,995</u>

NOTE 10: CAPITALIZED LEASES-LESSEE DISCLOSURE

In fiscal year 2008, the School District entered into a lease for the renovation of the high school building. The School District has also for entered into a lease agreements for communication equipment and photocopiers. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets acquired by the leases have been capitalized in the amount of \$7,549,054. A corresponding liability was recorded in the statement of net assets and is reduced for each required principal payment.

The future minimum lease obligations and the net present values of these minimum lease payments as of June 30, 2009, were as follows:

	Lease
Year Ending June 30,	Payment
2010	\$ 766,133
2011	648,378
2012	631,134
2013	629,686
2014	713,239
2015-2019	3,572,746
2020-2025	1,016,077
Total minimum lease payments	<hr/> 7,977,393
Less: amount representing interest	2,131,419
	<hr/>
Present value of minimum lease payments	\$ <u>5,845,974</u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 11: LONG-TERM OBLIGATIONS

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

	Restated Principal Outstanding 07/01/2008	Additions	Deductions	Principal Outstanding 06/30/2009	Due Within One Year
Governmental Activities:					
General obligation bonds:					
2007 School Improvement Bonds, serial bonds	\$ 44,250,000	\$ 0	\$ (80,000)	\$ 44,170,000	\$ 595,000
Capital appreciation bonds	749,971	0	0	749,971	0
Accretion on bonds	103,981	163,526	0	267,507	0
Premium on bonds	598,873	0	(32,218)	566,655	0
<i>Total general obligation bonds</i>	<u>45,702,825</u>	<u>163,526</u>	<u>(112,218)</u>	<u>45,754,133</u>	<u>595,000</u>
Other long-term obligations:					
Capital leases, equipment	6,109,153	0	(410,323)	5,698,830	424,385
Capital leases	416,415	0	(269,271)	147,144	131,489
<i>Total capital leases</i>	<u>6,525,568</u>	<u>0</u>	<u>(679,594)</u>	<u>5,845,974</u>	<u>555,874</u>
Compensated absences	6,937,406	234,770	(567,723)	6,604,453	1,097,771
Total other long-term obligations	<u>13,462,974</u>	<u>234,770</u>	<u>(1,247,317)</u>	<u>12,450,427</u>	<u>1,653,645</u>
<i>Total governmental activities long-term liabilities</i>	<u>\$ 59,165,799</u>	<u>\$ 398,296</u>	<u>\$ (1,359,535)</u>	<u>\$ 58,204,560</u>	<u>\$ 2,248,645</u>
Business-Type Activities:					
Compensated absences*	<u>\$ 0</u>	<u>\$ 59,425</u>	<u>\$ 0</u>	<u>\$ 59,425</u>	<u>\$ 0</u>

*There are no compensated absences anticipated to be due in one year.

2007 School Facilities Construction and Improvement General Obligation Bonds

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

The bonds were issued with a premium of \$631,723, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the bonds outstanding method. The amortization of the premium for fiscal year 2009 was \$32,218. The issuance costs of \$191,111 are reported as deferred charges and are being amortized over the life of the bonds using the bond outstanding method. The amortization of the issuance costs for fiscal year 2009 was \$9,747.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

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

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

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

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

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

The capital appreciation bonds will mature December 1, 2013 through 2015. These bonds were purchased at a discount at the time of issuance and at maturity all compounded interest is paid and the bond holder collects the face value. However, since interest is technically earned and compounded semiannually, the value of the bond increases. Therefore, as the value increases, the accretion is booked as principal. The maturity amount of the bonds is \$2,640,000. The fiscal year 2009 accretion amount was \$163,526.

Compensated absences will be paid from the termination benefits fund.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

Principal and interest requirements to retire general obligation bonds, capital appreciation bonds and the installment loan outstanding at June 30, 2009 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds		Capital Appreciation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 595,000	\$ 2,109,988	\$ 0	\$ 0	\$ 595,000	\$ 2,109,988
2011	685,000	2,084,388	0	0	685,000	2,084,388
2012	710,000	2,056,488	0	0	710,000	2,056,488
2013	740,000	2,027,488	0	0	740,000	2,027,488
2014	0	2,012,688	294,853	585,147	294,853	2,597,835
2015-2019	3,115,000	9,872,980	455,118	1,304,882	3,570,118	11,177,862
2020-2024	7,090,000	8,646,164	0	0	7,090,000	8,646,164
2025-2029	10,100,000	6,583,359	0	0	10,100,000	6,583,359
2030-2034	14,055,000	3,616,125	0	0	14,055,000	3,616,125
2034-3036	7,080,000	358,250	0	0	7,080,000	358,250
Total	<u>\$ 44,170,000</u>	<u>\$ 39,367,918</u>	<u>\$ 749,971</u>	<u>\$ 1,890,029</u>	<u>\$ 44,919,971</u>	<u>\$ 41,257,947</u>

NOTE 12: 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 2009 the School District contracted with Indiana Insurance Company for property insurance. Professional liability is protected by Indiana Insurance Company with \$5,000,000 aggregate limit.

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

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 12: RISK MANAGEMENT (Continued)

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 premium rating pool for public school districts. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. The total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". The "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 \$212,797 per member and an aggregate stop-loss of 120 percent of paid claims for medical and hearing. For fiscal year 2009 this was equal to \$6,790,829. 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 \$480,335 reported in the self-insurance fund at June 30, 2009 is based on the liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The amount was based on an estimate provided by the third-party administrator. The change in the liability for the last two years is presented in the following table.

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance End of Year
2008	\$ 1,483,500	\$ 5,742,404	\$ 5,717,204	\$ 1,508,700
2009	\$ 1,508,700	\$ 6,828,117	\$ 7,856,482	\$ 480,335

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 13: DEFINED BENEFIT PENSION PLANS

A. School Employee Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$688,161, \$1,072,776 and \$970,263, respectively; 33 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

ELYRIA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2009

NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Funding Policy - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$4,575,983, \$4,567,078 and \$4,834,128, respectively; 82 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$112,252 made by the School District and \$58,905 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2009, three members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 14: POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$304,075, \$279,855 and \$241,657, respectively; 33 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$54,821, \$66,922 and \$59,960, respectively; 33 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 14: POSTEMPLOYMENT BENEFITS (Continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$351,999, \$351,314 and \$371,856, respectively; 82 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

NOTE 15: 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 writing the Treasurer at the Educational Service Center of Lorain County, 1885 Lake Avenue, Elyria, Ohio 44035. During fiscal year 2009, the School District contributed \$297,229 to LEECA.

NOTE 16: 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 are 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, 2009.

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.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 17: SET-ASIDES

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the 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.

	Textbooks	Capital Improvement
Set-aside balance as of June 30, 2008	\$ 44,236	\$ 0
Current year set-aside requirement	1,180,398	1,180,398
Qualifying expenditures	<u>(1,087,163)</u>	<u>(1,739,276)</u>
Totals	<u>\$ 137,471</u>	<u>\$ (558,878)</u>
Set-aside balance carried forward to future fiscal years	<u>\$ 137,471</u>	<u>\$ 0</u>
Set-aside reserve balance as of June 30, 2009	<u>\$ 137,471</u>	<u>\$ 0</u>

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

The School District did not have enough qualifying disbursements to exceed the requirements for textbooks and other instructional materials and is required to establish a fund balance reserve of \$137,471. This amount should also be reported as restricted cash and cash equivalents in the general fund.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 18: RESTATEMENT OF NET ASSETS

As of April 1, 2008, the School District was awarded grant money from the Ohio School Facilities Commission however it was not properly recognized as a receivable in the prior year. Prior period adjustments were also made for early retirement incentive and health insurance liabilities that were not reported in fiscal year 2008. On December 20, 2007, the School District entered into a capital lease with QZAB in the amount of \$1,225,000. A restatement had to be recorded for the lease because it was not previously recorded.

	Governmental Activities	Business-Type Activities
Previously Reported Net Assets, 6/30/08	\$ 7,927,429	\$ 284,493
Restatement of Intergovernmental Receivable	22,253,229	0
Restatement of Compensated Absences	(2,767,712)	0
Restatement of Accrued Wages and Benefits	(992,185)	(25,193)
Restatement of Capital Leases	<u>(1,225,000)</u>	<u>0</u>
Restated Net Assets, 7/1/08	<u>\$ 25,195,761</u>	<u>\$ 259,300</u>

	General Fund	Classroom Facilities Fund	Classroom Facilities Fund
Previously Reported Fund Balance, 6/30/08	\$ 2,607,548	\$ 32,905,318	\$ 10,478,519
Restatement of Intergovernmental Receivable	0	2,056,505	0
Restatement of Accrued Wages	(831,410)	0	(160,110)
Restatement of Investment Income	<u>(865,908)</u>	<u>865,908</u>	<u>0</u>
Restated Fund Balance, 7/1/08	<u>\$ 910,230</u>	<u>\$ 35,827,731</u>	<u>\$ 10,318,409</u>

	Food Service	Internal Service
Enterprise Funds:		
Previously Reported Net Assets, 6/30/08	\$ 284,493	\$ (318,628)
Restatement of Accrued Wages and Benefits	<u>(25,193)</u>	<u>(665)</u>
Restated Net Assets, 7/1/08	<u>\$ 259,300</u>	<u>\$ (319,293)</u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 19: CONTRACTUAL COMMITMENTS

As of June 30, 2009, the School District had contractual commitments for the construction of a new high school.

	Contractual Commitment	Expended	Balance June 30, 2009
Vaughn Industries Inc.	\$ 6,300,000	\$ 145,764	\$ 6,154,236
Harris Masonry	7,163,000	332,438	6,830,562
Marous Brothers Construction	18,386,100	0	18,386,100
T & F Systems	1,837,000	0	1,837,000
Architectural Vision Group LTD	3,482,455	1,324,831	2,157,624
Stan & Assocites	153,003	35,619	117,384
Sitetech	1,522,130	1,380,201	141,929
Guenther Mechanical	7,034,000	692,868	6,341,132
	<u>\$ 45,877,688</u>	<u>\$ 3,911,721</u>	<u>\$ 41,965,967</u>

***Combining Statements
and Individual Fund Schedules***

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Combining Statements-Nonmajor Funds Nonmajor Special Revenue Funds

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

Special Trust Fund – This fund accounts for monies from local donations for the purpose of scholarships for students.

Uniform School Supplies Fund – This fund accounts for the purchase and sale of school supplies for use in the School District.

Rotary Fund – This fund accounts for all revenues and expense 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 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.

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

Termination Benefits Fund – This fund accounts for payments of termination benefits and for paying salaries when the number of pay periods exceeds the usual and customary for a year.

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

Auxiliary Services Fund – This fund accounts for state grant monies that provide services and materials to pupils attending non-public schools within the School District.

Educational Management Information Systems Fund – This fund accounts for state monies which support the costs associated with the requirements of the management information systems.

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

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

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

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Combining Statements-Nonmajor Funds Nonmajor Special Revenue Funds (Continued)

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

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

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

Poverty Aid Fund – This fund accounts for monies appropriated for poverty based assistance as part of the state foundation system. Programs included are academic intervention, all-day kindergarten, class-size reduction, limited English proficient students, professional development, drop-out prevention and community outreach.

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

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

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

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

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

Title V Fund – This fund accounts for monies which assist state and local educational agencies in the reform of elementary and secondary education.

Drug Free Schools Grant Fund – This fund accounts for federal revenues which support the implementation of programs for drug abuse 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.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

*Combining Statements-Nonmajor Funds
Nonmajor Special Revenue Funds
(Continued)*

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

Miscellaneous Federal Grants Fund – This fund accounts for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

Nonmajor Debt Service Fund

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

Nonmajor Capital Projects Fund

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

Permanent Improvement Fund – This fund accounts for property taxes levied to be used for various capital improvements within the School District.

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

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

Elyria City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 3,022,217	\$ 829,503	\$ 3,860,037	\$ 7,711,757
Receivables:				
Taxes	450,525	2,676,173	0	3,126,698
Accounts	944	0	0	944
Interfund	0	0	800,000	800,000
Intergovernmental	936,229	0	0	936,229
<i>Total Assets</i>	<u>\$ 4,409,915</u>	<u>3,505,676</u>	<u>\$ 4,660,037</u>	<u>\$ 12,575,628</u>
Liabilities				
Accounts Payable	\$ 203,959	0	\$ 17,950	\$ 221,909
Contracts Payable	0	0	392,018	392,018
Accrued Wages and Benefits	1,163,898	0	0	1,163,898
Matured Compensated Absences Payable	77,926	0	0	77,926
Interfund Payable	801,742	0	0	801,742
Intergovernmental Payable	343,755	0	0	343,755
Deferred Revenue	828,064	2,528,339	0	3,356,403
<i>Total Liabilities</i>	<u>3,419,344</u>	<u>2,528,339</u>	<u>409,968</u>	<u>6,357,651</u>
Fund Balances				
Fund Balance:				
Reserved for Encumbrances	209,239	0	3,376,271	3,585,510
Reserved for Property Taxes	24,888	147,834	0	172,722
Unreserved, Undesignated Reported In:				
Special Revenue Funds	756,444	0	0	756,444
Debt Service Fund	0	829,503	0	829,503
Capital Projects Funds	0	0	873,798	873,798
<i>Total Fund Balances</i>	<u>990,571</u>	<u>977,337</u>	<u>4,250,069</u>	<u>6,217,977</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 4,409,915</u>	<u>\$ 3,505,676</u>	<u>\$ 4,660,037</u>	<u>\$ 12,575,628</u>

Elyria City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 403,929	\$ 2,367,554	\$ 0	\$ 2,771,483
Intergovernmental	12,579,047	312,845	0	12,891,892
Interest	3,727	0	566,103	569,830
Tuition and Fees	250,053	0	0	250,053
Extracurricular Activities	293,413	0	0	293,413
Gifts and Donations	154,212	0	584,371	738,583
Miscellaneous	116,290	0	0	116,290
<i>Total Revenues</i>	<u>13,800,671</u>	<u>2,680,399</u>	<u>1,150,474</u>	<u>17,631,544</u>
Expenditures				
Current:				
Instruction:				
Regular	4,198,481	0	0	4,198,481
Special	2,397,332	0	0	2,397,332
Vocational	11,949	0	0	11,949
Adult/Continuing Education	72,801	0	0	72,801
Student Intervention Services	675,918	0	0	675,918
Support Services:				
Pupils	1,318,111	0	0	1,318,111
Instructional Staff	2,848,045	0	0	2,848,045
Administration	765,828	0	0	765,828
Fiscal	7,227	45,329	0	52,556
Operation and Maintenance of Plant	561,795	0	0	561,795
Pupil Transportation	301,635	0	0	301,635
Central	302,836	0	0	302,836
Operation of Non-Instructional Services:				
Community Services	1,391,494	0	0	1,391,494
Extracurricular Activities	438,994	0	0	438,994
Capital Outlay	1,299,241	0	1,763,952	3,063,193
Debt Service:				
Principal Retirement	0	80,000	0	80,000
Interest and Fiscal Charges	0	2,123,488	0	2,123,488
<i>Total Expenditures</i>	<u>16,591,687</u>	<u>2,248,817</u>	<u>1,763,952</u>	<u>20,604,456</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,791,016)	431,582	(613,478)	(2,972,912)
Other Financing Sources (Uses)				
Transfers In	1,624,469	0	0	1,624,469
Transfers Out	(4,843)	0	(2,747,146)	(2,751,989)
<i>Total Other Financing Sources (Uses)</i>	<u>1,619,626</u>	<u>0</u>	<u>(2,747,146)</u>	<u>(1,127,520)</u>
<i>Net Change in Fund Balances</i>	(1,171,390)	431,582	(3,360,624)	(4,100,432)
<i>Fund Balances Beginning of Year</i>	<u>2,161,961</u>	<u>545,755</u>	<u>7,610,693</u>	<u>10,318,409</u>
<i>Fund Balances End of Year</i>	<u>\$ 990,571</u>	<u>\$ 977,337</u>	<u>\$ 4,250,069</u>	<u>\$ 6,217,977</u>

Elyria City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Special Trust	Uniform School Supplies	Rotary	Public School Support	Local Grant
Assets					
Equity in Pooled Cash and Investments	\$ 23,973	\$ 297,098	\$ 102,868	\$ 175,198	\$ 115,221
Receivables:					
Taxes	0	0	0	0	0
Accounts	0	0	0	480	0
Intergovernmental	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 23,973</u>	<u>\$ 297,098</u>	<u>\$ 102,868</u>	<u>\$ 175,678</u>	<u>\$ 115,221</u>
Liabilities					
Accounts Payable	\$ 0	\$ 387	\$ 48,917	\$ 15,591	\$ 0
Accrued Wages and Benefits	0	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>387</u>	<u>48,917</u>	<u>15,591</u>	<u>0</u>
Fund Balances					
Fund Balance:					
Reserved for Encumbrances	0	43	0	1,395	261
Reserved for Property Taxes	0	0	0	0	0
Unreserved:					
Undesignated Reported In:					
Special Revenue Funds	23,973	296,668	53,951	158,692	114,960
<i>Total Fund Balances</i>	<u>23,973</u>	<u>296,711</u>	<u>53,951</u>	<u>160,087</u>	<u>115,221</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 23,973</u>	<u>\$ 297,098</u>	<u>\$ 102,868</u>	<u>\$ 175,678</u>	<u>\$ 115,221</u>

Classroom Facilities Maintenance	Termination Benefits	Athletics and Music	Auxiliary Services	Educational Management Information Systems Fund	Public School Preschool	Data Communication
\$ 235,205	\$ 25,065	\$ 241,488	\$ 116,975	\$ 2,277	\$ 0	\$ 12,636
450,525	0	0	0	0	0	0
0	0	464	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 685,730</u>	<u>\$ 25,065</u>	<u>\$ 241,952</u>	<u>\$ 116,975</u>	<u>\$ 2,277</u>	<u>\$ 0</u>	<u>\$ 12,636</u>
\$ 0	\$ 0	\$ 0	\$ 62,161	\$ 0	\$ 0	\$ 0
0	0	0	37,085	1,843	0	4,333
0	77,926	0	0	0	0	0
800,000	0	0	0	0	0	0
0	11,271	0	10,264	1,481	0	5,360
425,637	0	0	0	0	0	0
<u>1,225,637</u>	<u>89,197</u>	<u>0</u>	<u>109,510</u>	<u>3,324</u>	<u>0</u>	<u>9,693</u>
202,082	0	0	0	0	0	0
24,888	0	0	0	0	0	0
<u>(766,877)</u>	<u>(64,132)</u>	<u>241,952</u>	<u>7,465</u>	<u>(1,047)</u>	<u>0</u>	<u>2,943</u>
<u>(539,907)</u>	<u>(64,132)</u>	<u>241,952</u>	<u>7,465</u>	<u>(1,047)</u>	<u>0</u>	<u>2,943</u>
<u>\$ 685,730</u>	<u>\$ 25,065</u>	<u>\$ 241,952</u>	<u>\$ 116,975</u>	<u>\$ 2,277</u>	<u>\$ 0</u>	<u>\$ 12,636</u>

(Continued)

Elyria City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009

	SchoolNet Professional Development	Ohio Reads Grant	Summer School	Alternative Schools
Assets				
Equity in Pooled Cash and Investments	\$ 397	\$ 4,098	\$ 424	\$ 3,583
Receivables:				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	31,287	0	26,114
<i>Total Assets</i>	<u>\$ 397</u>	<u>\$ 35,385</u>	<u>\$ 424</u>	<u>\$ 29,697</u>
Liabilities				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	20,168	0	25,010
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	0	1,742	0	0
Intergovernmental Payable	0	3,604	0	5,642
Deferred Revenue	0	13,331	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>38,845</u>	<u>0</u>	<u>30,652</u>
Fund Balances				
Fund Balance:				
Reserved for Encumbrances	136	0	0	0
Reserved for Property Taxes	0	0	0	0
Unreserved:				
Undesignated Reported In:				
Special Revenue Funds	261	(3,460)	424	(955)
<i>Total Fund Balances</i>	<u>397</u>	<u>(3,460)</u>	<u>424</u>	<u>(955)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 397</u>	<u>\$ 35,385</u>	<u>\$ 424</u>	<u>\$ 29,697</u>

Poverty Aid	Miscellaneous State Grants	Adult Basic Education	Title VI-B	Title III	Title I	Title V
\$ 1,067,727	\$ 10,249	\$ 6,193	\$ 160,554	\$ 4,344	\$ 215,093	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	10,837	242,027	1,308	494,747	0
<u>\$ 1,067,727</u>	<u>\$ 10,249</u>	<u>\$ 17,030</u>	<u>\$ 402,581</u>	<u>\$ 5,652</u>	<u>\$ 709,840</u>	<u>\$ 0</u>
\$ 0	\$ 0	\$ 173	\$ 22,196	\$ 0	\$ 39,492	\$ 0
529,200	0	11,087	202,580	199	262,358	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
148,999	83	3,885	77,812	54	54,799	0
0	0	0	45,289	1,308	218,269	0
<u>678,199</u>	<u>83</u>	<u>15,145</u>	<u>347,877</u>	<u>1,561</u>	<u>574,918</u>	<u>0</u>
0	0	127	4,212	0	965	0
0	0	0	0	0	0	0
<u>389,528</u>	<u>10,166</u>	<u>1,758</u>	<u>50,492</u>	<u>4,091</u>	<u>133,957</u>	<u>0</u>
<u>389,528</u>	<u>10,166</u>	<u>1,885</u>	<u>54,704</u>	<u>4,091</u>	<u>134,922</u>	<u>0</u>
<u>\$ 1,067,727</u>	<u>\$ 10,249</u>	<u>\$ 17,030</u>	<u>\$ 402,581</u>	<u>\$ 5,652</u>	<u>\$ 709,840</u>	<u>\$ 0</u>

(Continued)

Elyria City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009

	Drug Free Schools Grant	Preschool Hanicapped Grant	Class Size Reduction	Miscellaneous Federal Grants	Totals
Assets					
Equity in Pooled Cash and Investments	\$ 3,615	\$ 3,144	\$ 143,257	\$ 51,535	\$ 3,022,217
Receivables:					
Taxes	0	0	0	0	450,525
Accounts	0	0	0	0	944
Intergovernmental	6,053	5,679	118,177	0	936,229
<i>Total Assets</i>	<u>\$ 9,668</u>	<u>\$ 8,823</u>	<u>\$ 261,434</u>	<u>\$ 51,535</u>	<u>\$ 4,409,915</u>
Liabilities					
Accounts Payable	\$ 0	\$ 0	\$ 13,992	\$ 1,050	\$ 203,959
Accrued Wages and Benefits	3,273	6,038	60,724	0	1,163,898
Matured Compensated Absences Payable	0	0	0	0	77,926
Interfund Payable	0	0	0	0	801,742
Intergovernmental Payable	1,741	1,290	17,470	0	343,755
Deferred Revenue	6,053	0	118,177	0	828,064
<i>Total Liabilities</i>	<u>11,067</u>	<u>7,328</u>	<u>210,363</u>	<u>1,050</u>	<u>3,419,344</u>
Fund Balances					
Fund Balance:					
Reserved for Encumbrances	0	18	0	0	209,239
Reserved for Property Taxes	0	0	0	0	24,888
Unreserved:					
Undesignated Reported In:					
Special Revenue Funds	(1,399)	1,477	51,071	50,485	756,444
<i>Total Fund Balances</i>	<u>(1,399)</u>	<u>1,495</u>	<u>51,071</u>	<u>50,485</u>	<u>990,571</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 9,668</u>	<u>\$ 8,823</u>	<u>\$ 261,434</u>	<u>\$ 51,535</u>	<u>\$ 4,409,915</u>

Elyria City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009

	Special Trust	Uniform School Supplies	Rotary	Public School Support	Local Grant
Revenues					
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0	0	0
Interest	0	0	0	0	0
Tuition and Fees	0	250,053	0	0	0
Extracurricular Activities	0	0	0	159,533	0
Gifts and Donations	7,382	0	53,084	26,501	58,876
Miscellaneous	143	0	20,287	34,967	33,994
<i>Total Revenues</i>	<u>7,525</u>	<u>250,053</u>	<u>73,371</u>	<u>221,001</u>	<u>92,870</u>
Expenditures					
Current:					
Instruction:					
Regular	0	273,483	70,941	0	101,884
Special	0	5,853	0	0	500
Vocational	0	0	0	0	0
Adult/Continuing Education	0	0	0	0	0
Student Intervention Services	0	0	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	0	479
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	2,607
Central	0	0	66,784	0	1,297
Operation of Non-Instructional Services:					
Community Services	6,000	0	0	0	0
Extracurricular Activities	0	0	0	247,231	13,130
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>6,000</u>	<u>279,336</u>	<u>137,725</u>	<u>247,231</u>	<u>119,897</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,525</u>	<u>(29,283)</u>	<u>(64,354)</u>	<u>(26,230)</u>	<u>(27,027)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	182
Transfers Out	0	0	0	(4,843)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,843)</u>	<u>182</u>
<i>Net Change in Fund Balances</i>	1,525	(29,283)	(64,354)	(31,073)	(26,845)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>22,448</u>	<u>325,994</u>	<u>118,305</u>	<u>191,160</u>	<u>142,066</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 23,973</u>	<u>\$ 296,711</u>	<u>\$ 53,951</u>	<u>\$ 160,087</u>	<u>\$ 115,221</u>

Classroom Facilities Maintenance	Termination Benefits	Athletics and Music	Auxiliary Services	Educational Management Information Systems Fund	Public School Preschool	Data Communication
\$ 403,929	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
53,567	0	0	1,041,183	21,910	80,750	57,000
3,727	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	133,880	0	0	0	0
0	0	8,369	0	0	0	0
0	0	26,899	0	0	0	0
<u>461,223</u>	<u>0</u>	<u>169,148</u>	<u>1,041,183</u>	<u>21,910</u>	<u>80,750</u>	<u>57,000</u>
0	1,433,598	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	80,750	0
0	210,941	0	0	0	0	0
0	11,025	0	0	0	0	0
7,227	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	24,602	0	69,604
0	0	0	1,260,468	115	0	0
0	0	178,633	0	0	0	0
1,298,669	0	0	0	0	0	0
<u>1,305,896</u>	<u>1,655,564</u>	<u>178,633</u>	<u>1,260,468</u>	<u>24,717</u>	<u>80,750</u>	<u>69,604</u>
<u>(844,673)</u>	<u>(1,655,564)</u>	<u>(9,485)</u>	<u>(219,285)</u>	<u>(2,807)</u>	<u>0</u>	<u>(12,604)</u>
0	1,624,287	0	0	0	0	0
0	0	0	0	0	0	0
0	1,624,287	0	0	0	0	0
(844,673)	(31,277)	(9,485)	(219,285)	(2,807)	0	(12,604)
304,766	(32,855)	251,437	226,750	1,760	0	15,547
<u>\$ (539,907)</u>	<u>\$ (64,132)</u>	<u>\$ 241,952</u>	<u>\$ 7,465</u>	<u>\$ (1,047)</u>	<u>\$ 0</u>	<u>\$ 2,943</u>

(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, 2009

	SchoolNet Professional Development	Ohio Reads Grant	Summer School	Alternative Schools	Poverty Aid
Revenues					
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	2,970	147,415	0	193,166	5,240,242
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Gifts and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>2,970</u>	<u>147,415</u>	<u>0</u>	<u>193,166</u>	<u>5,240,242</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	10,450	100,194	2,196,072
Special	0	0	0	0	149,784
Vocational	0	0	0	0	11,949
Adult/Continuing Education	0	0	0	0	0
Student Intervention Services	0	0	0	0	675,918
Support Services:					
Pupils	0	2,502	0	26	793,447
Instructional Staff	0	138,105	0	18,759	218,043
Administration	0	0	0	80,673	362,863
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	561,795
Pupil Transportation	0	0	0	0	186,944
Central	4,310	0	0	0	135,588
Operation of Non-Instructional Services:					
Community Services	0	0	0	0	21,251
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>4,310</u>	<u>140,607</u>	<u>10,450</u>	<u>199,652</u>	<u>5,313,654</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,340)</u>	<u>6,808</u>	<u>(10,450)</u>	<u>(6,486)</u>	<u>(73,412)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(1,340)	6,808	(10,450)	(6,486)	(73,412)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,737</u>	<u>(10,268)</u>	<u>10,874</u>	<u>5,531</u>	<u>462,940</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 397</u>	<u>\$ (3,460)</u>	<u>\$ 424</u>	<u>\$ (955)</u>	<u>\$ 389,528</u>

Miscellaneous State Grants	Adult Basic Education	Title VI-B	Title III	Title I	Title V
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
19,139	154,044	1,943,868	15,956	2,675,312	16,498
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
19,139	154,044	1,943,868	15,956	2,675,312	16,498
0	0	0	11,859	0	0
35,520	0	270,645	0	1,533,783	0
0	0	0	0	0	0
0	72,801	0	0	0	0
0	0	0	0	0	0
0	3,010	223,735	0	175,903	0
0	80,980	1,100,758	152	705,910	20,758
0	2,940	151,680	0	101,547	0
0	0	0	0	0	0
0	0	0	0	0	0
14,698	0	10,391	0	86,995	0
0	0	0	0	0	0
0	0	94,890	0	8,770	0
0	0	0	0	0	0
0	572	0	0	0	0
50,218	160,303	1,852,099	12,011	2,612,908	20,758
(31,079)	(6,259)	91,769	3,945	62,404	(4,260)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(31,079)	(6,259)	91,769	3,945	62,404	(4,260)
41,245	8,144	(37,065)	146	72,518	4,260
\$ 10,166	\$ 1,885	\$ 54,704	\$ 4,091	\$ 134,922	\$ 0

(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, 2009

	Drug Free Schools Grant	Preschool Hanicapped Grant	Class Size Reduction	Miscellaneous Federal Grants	Totals
Revenues					
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 403,929
Intergovernmental	36,809	62,455	754,911	61,852	12,579,047
Interest	0	0	0	0	3,727
Tuition and Fees	0	0	0	0	250,053
Extracurricular Activities	0	0	0	0	293,413
Gifts and Donations	0	0	0	0	154,212
Miscellaneous	0	0	0	0	116,290
<i>Total Revenues</i>	<u>36,809</u>	<u>62,455</u>	<u>754,911</u>	<u>61,852</u>	<u>13,800,671</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	0	4,198,481
Special	0	4,959	396,288	0	2,397,332
Vocational	0	0	0	0	11,949
Adult/Continuing Education	0	0	0	0	72,801
Student Intervention Services	0	0	0	0	675,918
Support Services:					
Pupils	35,456	0	0	3,282	1,318,111
Instructional Staff	0	3,287	309,523	40,829	2,848,045
Administration	0	52,401	0	2,220	765,828
Fiscal	0	0	0	0	7,227
Operation and Maintenance of Plant	0	0	0	0	561,795
Pupil Transportation	0	0	0	0	301,635
Central	0	0	651	0	302,836
Operation of Non-Instructional Services:					
Community Services	0	0	0	0	1,391,494
Extracurricular Activities	0	0	0	0	438,994
Capital Outlay	0	0	0	0	1,299,241
<i>Total Expenditures</i>	<u>35,456</u>	<u>60,647</u>	<u>706,462</u>	<u>46,331</u>	<u>16,591,687</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,353</u>	<u>1,808</u>	<u>48,449</u>	<u>15,521</u>	<u>(2,791,016)</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	1,624,469
Transfers Out	0	0	0	0	(4,843)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,619,626</u>
<i>Net Change in Fund Balances</i>	1,353	1,808	48,449	15,521	(1,171,390)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(2,752)</u>	<u>(313)</u>	<u>2,622</u>	<u>34,964</u>	<u>2,161,961</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ (1,399)</u>	<u>\$ 1,495</u>	<u>\$ 51,071</u>	<u>\$ 50,485</u>	<u>\$ 990,571</u>

Elyria City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009

	<u>Permanent Improvement</u>	<u>Capital Building</u>	<u>School Net Plus</u>	<u>Totals</u>
Assets				
Equity in Pooled Cash and Investments	\$ 39,963	\$ 3,819,781	\$ 293	\$ 3,860,037
Interfund Receivable	<u>0</u>	<u>800,000</u>	<u>0</u>	<u>800,000</u>
<i>Total Assets</i>	<u><u>\$ 39,963</u></u>	<u><u>\$ 4,619,781</u></u>	<u><u>\$ 293</u></u>	<u><u>\$ 4,660,037</u></u>
Liabilities				
Accounts Payable	\$ 0	\$ 17,950	\$ 0	\$ 17,950
Contracts Payable	<u>0</u>	<u>392,018</u>	<u>0</u>	<u>392,018</u>
<i>Total Liabilities</i>	<u>0</u>	<u>409,968</u>	<u>0</u>	<u>409,968</u>
Fund Balances				
Fund Balance:				
Reserved for Encumbrances	0	3,376,271	0	3,376,271
Unreserved:				
Undesignated Reported In:				
Capital Projects Funds	<u>39,963</u>	<u>833,542</u>	<u>293</u>	<u>873,798</u>
<i>Total Fund Balances</i>	<u>39,963</u>	<u>4,209,813</u>	<u>293</u>	<u>4,250,069</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$ 39,963</u></u>	<u><u>\$ 4,619,781</u></u>	<u><u>\$ 293</u></u>	<u><u>\$ 4,660,037</u></u>

Elyria City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2009

	Permanent Improvement	Capital Building	School Net Plus	Totals
Revenues				
Interest	\$ 0	\$ 566,103	\$ 0	\$ 566,103
Gifts and Donations	0	584,371	0	584,371
<i>Total Revenues</i>	<u>0</u>	<u>1,150,474</u>	<u>0</u>	<u>1,150,474</u>
Expenditures				
Current:				
Capital Outlay	9,300	1,754,652	0	1,763,952
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,300)</u>	<u>(604,178)</u>	<u>0</u>	<u>(613,478)</u>
Other Financing (Uses)				
Transfers Out	0	(2,747,146)	0	(2,747,146)
<i>Net Change in Fund Balances</i>	(9,300)	(3,351,324)	0	(3,360,624)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>49,263</u>	<u>7,561,137</u>	<u>293</u>	<u>7,610,693</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 39,963</u>	<u>\$ 4,209,813</u>	<u>\$ 293</u>	<u>\$ 4,250,069</u>

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

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Gifts and Donations	\$ 4,150	\$ 7,382	\$ 3,232
Miscellaneous	0	143	143
<i>Total Revenues</i>	<u>4,150</u>	<u>7,525</u>	<u>3,375</u>
Expenditures			
Current:			
Operation of Non-Instructional Services	26,599	6,000	20,599
<i>Net Change in Fund Balance</i>	(22,449)	1,525	0
<i>Fund Balance Beginning of Year</i>	<u>22,449</u>	<u>22,449</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 23,974</u>	<u>\$ 0</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$ 236,473	\$ 250,053	\$ 13,580
Expenditures			
Current:			
Instruction:			
Regular	565,060	282,019	283,041
Special	5,900	5,853	47
<i>Total Expenditures</i>	<u>570,960</u>	<u>287,872</u>	<u>283,088</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(334,487)	(37,819)	296,668
Other Financing Sources (Uses)			
Other Financing Uses	<u>(2)</u>	<u>(2)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(334,489)	(37,821)	296,668
<i>Fund Balance Beginning of Year</i>	334,265	334,265	0
Prior Year Encumbrances Appropriated	<u>224</u>	<u>224</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 296,668</u></u>	<u><u>\$ 296,668</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Rotary Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Gifts and Donations	\$ 39,346	\$ 53,084	\$ 13,738
Miscellaneous	15,037	20,287	5,250
<i>Total Revenues</i>	<u>54,383</u>	<u>73,371</u>	<u>18,988</u>
Expenditures			
Current:			
Instruction:			
Regular	37,456	22,381	15,075
Adult/Continuing	5	0	5
Instructional Staff	21,396	0	21,396
Central	35,943	29,613	6,330
Operation of Non-Instructional Services:			
Food Service Operations	2,425	0	2,425
<i>Total Expenditures</i>	<u>97,225</u>	<u>51,994</u>	<u>45,231</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(42,842)</u>	<u>21,377</u>	<u>(26,243)</u>
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(81,849)	(48,649)	33,200
<i>Net Change in Fund Balance</i>	(124,691)	(27,272)	97,419
<i>Fund Balance Beginning of Year</i>	112,122	112,122	0
Prior Year Encumbrances Appropriated	12,569	12,569	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 97,419</u>	<u>\$ 97,419</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$ 81,882	\$ 159,533	\$ 77,651
Gifts and Donations	13,602	26,501	12,899
Miscellaneous	16,457	32,064	15,607
<i>Total Revenues</i>	<u>111,941</u>	<u>218,098</u>	<u>106,157</u>
Expenditures			
Current:			
Extracurricular Activities	304,736	250,260	54,476
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(192,795)</u>	<u>(32,162)</u>	<u>160,633</u>
Other Financing Sources (Uses)			
Transfers In	0	2,423	2,423
Transfers Out	0	(4,843)	(4,843)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(2,420)</u>	<u>(2,420)</u>
<i>Net Change in Fund Balance</i>	(192,795)	(34,582)	158,213
<i>Fund Balance Beginning of Year</i>	187,825	187,825	0
Prior Year Encumbrances Appropriated	4,970	4,970	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 158,213</u>	<u>\$ 158,213</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Gifts and Donations	\$ 65,647	\$ 58,876	\$ (6,771)
Miscellaneous	37,904	33,994	(3,910)
<i>Total Revenues</i>	<u>103,551</u>	<u>92,870</u>	<u>(10,681)</u>
Expenditures			
Current:			
Instruction:			
Regular	225,771	102,643	123,128
Special	500	500	0
Support Services:			
Pupils	593	0	593
Instructional Staff	367	0	367
Administration	4,113	479	3,634
Pupil Transportation	2,308	2,878	(570)
Central	817	1,297	(480)
Extracurricular Activities	11,478	13,130	(1,652)
<i>Total Expenditures</i>	<u>245,947</u>	<u>120,927</u>	<u>125,020</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(142,396)</u>	<u>(28,057)</u>	<u>114,339</u>
Other Financing Use			
Transfers In	0	182	182
Other Financing Uses	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>182</u>	<u>(182)</u>
<i>Net Change in Fund Balance</i>	(142,396)	(27,875)	114,521
<i>Fund Balance Beginning of Year</i>	133,261	133,261	0
Prior Year Encumbrances Appropriated	<u>9,135</u>	<u>9,135</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 114,521</u>	<u>\$ 114,521</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Maintenance Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 407,083	\$ 434,561	\$ 27,478
Intergovernmental	50,180	53,567	3,387
Interest	3,491	3,727	236
<i>Total Revenues</i>	<u>460,754</u>	<u>491,855</u>	<u>31,101</u>
Expenditures			
Current:			
Support Services:			
Fiscal	10,000	7,227	2,773
Capital Outlay	1,500,000	1,500,751	(751)
<i>Total Expenditures</i>	<u>1,510,000</u>	<u>1,507,978</u>	<u>2,022</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,049,246)</u>	<u>(1,016,123)</u>	<u>33,123</u>
Other Financing Sources (Uses)			
Advances In	1,500,000	1,500,000	0
Advances Out	(700,000)	(700,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>800,000</u>	<u>800,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(249,246)	(216,123)	33,123
<i>Fund Balance Beginning of Year</i>	<u>249,246</u>	<u>249,246</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 33,123</u>	<u>\$ 33,123</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Instruction:			
Regular	\$ 1,527,847	\$ 1,477,100	\$ 50,747
Support Services:			
Instructional Staff	101,440	145,714	(44,274)
<i>Total Expenditures</i>	<u>1,629,287</u>	<u>1,622,814</u>	<u>6,473</u>
Other Financing Sources (Uses)			
Transfers In	<u>1,605,695</u>	<u>1,624,287</u>	<u>18,592</u>
<i>Net Change in Fund Balance</i>	(23,592)	1,473	25,065
<i>Fund Balance Beginning of Year</i>	<u>23,592</u>	<u>23,592</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 25,065</u></u>	<u><u>\$ 25,065</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletic and Music Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$ 3,389	\$ 133,880	\$ 130,491
Gifts and Donations	0	8,369	8,369
Miscellaneous	0	26,435	26,435
<i>Total Revenues</i>	<u>3,389</u>	<u>168,684</u>	<u>165,295</u>
Expenditures			
Current:			
Extracurricular Activities	<u>254,826</u>	<u>178,633</u>	<u>76,193</u>
<i>Net Change in Fund Balance</i>	(251,437)	(9,949)	241,488
<i>Fund Balance Beginning of Year</i>	242,310	242,310	0
Prior Year Encumbrances Appropriated	<u>9,127</u>	<u>9,127</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 241,488</u>	<u>\$ 241,488</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,032,015	\$ 1,041,183	\$ 9,168
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services	1,320,354	1,270,878	49,476
<i>Net Change in Fund Balance</i>	(288,339)	(229,695)	58,644
<i>Fund Balance Beginning of Year</i>	240,761	240,761	0
Prior Year Encumbrances Appropriated	47,578	47,578	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 58,644</u>	<u>\$ 58,644</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Education Management Information Systems Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 27,561	\$ 21,910	\$ (5,651)
Expenditures			
Current:			
Support Services:			
Central	31,097	23,169	7,928
<i>Net Change in Fund Balance</i>	(3,536)	(1,259)	2,277
<i>Fund Balance Beginning of Year</i>	3,536	3,536	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 2,277	\$ 2,277

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 80,750	\$ 80,750	\$ 0
Expenditures			
Current:			
Support Services:			
Pupils	80,750	80,750	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communication Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 55,503	\$ 57,000	\$ 1,497
Expenditures			
Current:			
Support Services:			
Central	75,470	64,331	11,139
<i>Net Change in Fund Balance</i>	(19,967)	(7,331)	12,636
<i>Fund Balance at Beginning of Year</i>	19,675	19,675	0
Prior Year Encumbrances Appropriated	292	292	0
<i>Fund Balance at End of Year</i>	<u>\$ 0</u>	<u>\$ 12,636</u>	<u>\$ 12,636</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 2,967	\$ 2,970	\$ 3
Expenditures			
Current:			
Instruction:			
Regular	100	0	100
Support Services:			
Central	4,610	4,452	158
<i>Total Expenditures</i>	4,710	4,452	258
<i>Net Change in Fund Balance</i>	(1,743)	(1,482)	261
<i>Fund Balance Beginning of Year</i>	1,743	1,743	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 261	\$ 261

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 166,746	\$ 135,459	\$ (31,287)
Expenditures			
Current:			
Instruction:			
Special	77	0	77
Support Services:			
Instructional Staff	167,782	134,216	33,566
<i>Total Expenditures</i>	167,859	134,216	33,643
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,113)	1,243	2,356
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(11,788)	(11,788)	0
Advances In	0	1,742	1,742
<i>Total Other Financing Sources (Uses)</i>	(11,788)	(10,046)	1,742
<i>Net Change in Fund Balance</i>	(12,901)	(8,803)	4,098
<i>Fund Balance Beginning of Year</i>	12,901	12,901	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 4,098	4,098

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer School Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Instruction:			
Regular	\$ 10,874	\$ 10,450	\$ 424
<i>Net Change in Fund Balance</i>	(10,874)	(10,450)	424
<i>Fund Balance Beginning of Year</i>	10,874	10,874	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 424	\$ 424

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Alternative School Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 227,165	\$ 201,051	\$ (26,114)
Expenditures			
Current:			
Instruction:			
Regular	109,155	97,642	11,513
Support Services:			
Instructional Staff	29,781	26,049	3,732
Administration	94,641	80,189	14,452
<i>Total Expenditures</i>	<u>233,577</u>	<u>203,880</u>	<u>29,697</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,412)</u>	<u>(2,829)</u>	<u>3,583</u>
Other Financing Sources (Uses)			
Other Financing Uses	<u>0</u>	<u>(1)</u>	<u>(1)</u>
<i>Net Change in Fund Balance</i>	(6,412)	(2,830)	3,582
<i>Fund Balance Beginning of Year</i>	<u>6,412</u>	<u>6,412</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 3,582</u>	<u>\$ 3,582</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Aid Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 4,173,467	\$ 5,240,242	\$ 1,066,775
Expenditures			
Current:			
Instruction:			
Regular	4,898,888	2,143,842	2,755,046
Special	0	175,966	(175,966)
Student Intervention Services	286,356	704,881	(418,525)
Support Services:			
Pupils	0	746,965	(746,965)
Instructional Staff	0	220,377	(220,377)
Administration	0	343,143	(343,143)
Fiscal	48,475	0	48,475
Operation and Maintenance of Plant	3,963	561,984	(558,021)
Pupil Transportation	0	186,944	(186,944)
Central	0	130,020	(130,020)
Operation of Non-Instructional Services	0	22,607	(22,607)
<i>Total Expenditures</i>	<u>5,237,682</u>	<u>5,236,729</u>	<u>953</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,064,215)	3,513	1,067,728
Other Financing Sources (Uses)			
Other Financing Uses	<u>0</u>	<u>(1)</u>	<u>(1)</u>
<i>Net Change in Fund Balance</i>	(1,064,215)	3,512	1,067,727
<i>Fund Balance Beginning of Year</i>	1,059,628	1,059,628	0
Prior Year Encumbrances Appropriated	<u>4,587</u>	<u>4,587</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 1,067,727</u>	<u>1,067,727</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 11,934	\$ 19,139	\$ 7,205
Expenditures			
Current:			
Instruction:			
Special	38,529	35,484	3,045
Support Services:			
Pupil Transportation	14,698	14,698	0
<i>Total Expenditures</i>	53,227	50,182	3,045
<i>Net Change in Fund Balance</i>	(41,293)	(31,043)	(10,250)
<i>Fund Balance Beginning of Year</i>	41,293	41,293	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 10,250	(10,250)

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 161,881	\$ 143,207	\$ (18,674)
Expenditures			
Current:			
Instruction:			
Adult/Continuing	84,413	72,943	11,470
Support Services:			
Pupils	3,672	3,647	25
Instructional Staff	92,576	80,750	11,826
Administration	3,746	2,928	818
Capital Outlay	1,000	572	428
<i>Total Expenditures</i>	<u>185,407</u>	<u>160,840</u>	<u>24,567</u>
<i>Net Change in Fund Balance</i>	(23,526)	(17,633)	5,893
<i>Fund Balance Beginning of Year</i>	22,077	22,077	0
Prior Year Encumbrances Appropriated	<u>1,449</u>	<u>1,449</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 5,893</u></u>	<u><u>5,893</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 2,211,250	\$ 1,747,130	\$ (464,120)
Expenditures			
Current:			
Instruction:			
Special	428,227	274,179	154,048
Support Services:			
Pupils	343,681	254,367	89,314
Instructional Staff	1,384,836	1,105,026	279,810
Administration	199,384	157,840	41,544
Pupil Transportation	37,763	18,982	18,781
Operation of Non-Instructional Services:			
Community Services	106,222	91,453	14,769
<i>Total Expenditures</i>	<u>2,500,113</u>	<u>1,901,847</u>	<u>598,266</u>
<i>Net Change in Fund Balance</i>	(288,863)	(154,717)	134,146
<i>Fund Balance Beginning of Year</i>	214,877	214,877	0
Prior Year Encumbrances Appropriated	<u>73,986</u>	<u>73,986</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 134,146</u>	<u>134,146</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenue			
Intergovernmental	\$ 17,352	\$ 15,986	\$ (1,366)
Expenditures			
Current:			
Instruction:			
Regular	13,544	11,612	1,932
Special	592	0	592
Support Services:			
Instructional Staff	3,338	152	3,186
<i>Total Expenditures</i>	17,474	11,764	5,710
<i>Excess of Revenues Over (Under) Expenditures</i>	(122)	4,222	4,344
<i>Fund Balance Beginning of Year</i>	22	22	0
Prior Year Encumbrances Appropriated	100	100	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 4,344	4,344

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 2,901,681	\$ 2,398,834	\$ (502,847)
Expenditures			
Current:			
Instruction:			
Special	1,980,857	1,525,255	455,602
Support Services:			
Pupils	182,535	149,492	33,043
Instructional Staff	821,171	673,621	147,550
Administration	153,830	107,278	46,552
Pupil Transportation	81,513	86,995	(5,482)
Operation of Non-Instructional Services:			
Community Services	9,040	8,822	218
<i>Total Expenditures</i>	<u>3,228,946</u>	<u>2,551,463</u>	<u>677,483</u>
<i>Net Change in Fund Balance</i>	(327,265)	(152,629)	174,636
<i>Fund Balance Beginning of Year</i>	311,441	311,441	0
Prior Year Encumbrances Appropriated	<u>15,824</u>	<u>15,824</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 174,636</u>	<u>\$ 174,636</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 29,810	\$ 16,498	\$ (13,312)
Expenditures			
Current:			
Support Services:			
Instructional Staff	34,126	21,152	12,974
Operation of Non-Instructional Services	338	0	338
<i>Total Expenditures</i>	<u>34,464</u>	<u>21,152</u>	<u>13,312</u>
<i>Net Change in Fund Balance</i>	(4,654)	(4,654)	0
<i>Fund Balance Beginning of Year</i>	3,338	3,338	0
Prior Year Encumbrances Appropriated	<u>1,316</u>	<u>1,316</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 49,036	\$ 36,809	\$ (12,227)
Expenditures			
Current:			
Support Services:			
Pupils	54,816	38,988	15,828
Instructional Staff	15	0	15
<i>Total Expenditures</i>	54,831	38,988	15,843
<i>Net Change in Fund Balance</i>	(5,795)	(2,179)	3,616
<i>Fund Balance Beginning of Year</i>	5,795	5,795	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 3,616	\$ 3,616

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Grant Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 70,307	\$ 65,734	\$ (4,573)
Expenditures			
Current:			
Instruction:			
Special	5,521	5,008	513
Support Services:			
Instructional Staff	7,977	7,941	36
Administration	59,205	52,056	7,149
<i>Total Expenditures</i>	<u>72,703</u>	<u>65,005</u>	<u>7,698</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,396)</u>	<u>729</u>	<u>3,125</u>
<i>Net Change in Fund Balance</i>	(2,396)	729	3,125
<i>Fund Balance Beginning of Year</i>	<u>2,396</u>	<u>2,396</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 3,125</u>	<u>\$ 3,125</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,183,597	\$ 754,911	\$ (428,686)
Expenditures			
Current:			
Instruction:			
Special	695,676	404,660	291,016
Support Services:			
Instructional Staff	529,636	295,722	233,914
Administration	29,676	0	29,676
Central	5,000	651	4,349
<i>Total Expenditures</i>	<u>1,259,988</u>	<u>701,033</u>	<u>558,955</u>
<i>Net Change in Fund Balance</i>	(76,391)	53,878	130,269
<i>Fund Balance Beginning of Year</i>	75,450	75,450	0
Prior Year Encumbrances Appropriated	<u>941</u>	<u>941</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 130,269</u>	<u>\$ 130,269</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 13,957	\$ 61,852	\$ 47,895
Expenditures			
Current:			
Support Services:			
Pupils	5,038	4,741	297
Instructional Staff	35,799	33,691	2,108
Administration	2,873	2,704	169
<i>Total Expenditures</i>	43,710	41,136	2,574
<i>Excess of Revenues Over (Under) Expenditures</i>	(29,753)	20,716	50,469
Other Financing Sources (Uses)			
Advances Out	(25,480)	(25,464)	16
<i>Net Change in Fund Balance</i>	(55,233)	(4,748)	50,485
<i>Fund Balance Beginning of Year</i>	55,051	55,051	0
Prior Year Encumbrances Appropriated	182	182	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 50,485	50,485

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 2,520,202	\$ 2,538,412	\$ 18,210
Intergovernmental	310,532	312,845	2,313
<i>Total Revenues</i>	<u>2,830,734</u>	<u>2,851,257</u>	<u>20,523</u>
Expenditures			
Current:			
Support Services:			
Fiscal	49,668	45,329	4,339
Debt Service:			
Principal Retirement	80,000	80,000	0
Interest and Fiscal Charges	2,123,488	2,123,488	0
<i>Total Expenditures</i>	<u>2,253,156</u>	<u>2,248,817</u>	<u>4,339</u>
<i>Net Change in Fund Balance</i>	577,578	602,440	24,862
<i>Fund Balance Beginning of Year</i>	<u>227,062</u>	<u>227,062</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 804,640</u></u>	<u><u>\$ 829,502</u></u>	<u><u>\$ 24,862</u></u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Capital Outlay	\$ 49,263	\$ 9,300	\$ 39,963
<i>Net Change in Fund Balance</i>	(49,263)	(9,300)	39,963
<i>Fund Balance Beginning of Year</i>	49,263	49,263	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 39,963	\$ 39,963

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Building Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Gifts and Donations	\$ 615,373	\$ 584,371	\$ (31,002)
Interest	596,137	566,103	(30,034)
<i>Total Revenues</i>	<u>1,211,510</u>	<u>1,150,474</u>	<u>(61,036)</u>
Expenditures			
Current:			
Capital Outlay	<u>5,227,743</u>	<u>5,133,163</u>	<u>94,580</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,016,233)</u>	<u>(3,982,689)</u>	<u>33,544</u>
Other Financing Sources (Uses)			
Transfers Out	(2,747,146)	(2,747,146)	0
Advances In	700,000	700,000	0
Advances Out	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(3,547,146)</u>	<u>(3,547,146)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(7,563,379)	(7,529,835)	33,544
<i>Fund Balance Beginning of Year</i>	7,491,394	7,491,394	0
Prior Year Encumbrances Appropriated	<u>71,985</u>	<u>71,985</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 33,544</u>	<u>\$ 33,544</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Plus Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	\$ (293)	\$ 0	\$ 293
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	293	293	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 293</u>	<u>\$ 0</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 21,692,850	\$ 20,526,254	\$ (1,166,596)
Interest	1,235,045	1,168,627	(66,418)
<i>Total Revenues</i>	<u>22,927,895</u>	<u>21,694,881</u>	<u>(1,233,014)</u>
Expenditures			
Capital Outlay	58,838,777	42,148,102	16,690,675
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(35,910,882)</u>	<u>(20,453,221)</u>	<u>15,457,661</u>
Other Financing Sources (Uses)			
Transfers In	2,747,146	2,747,146	0
<i>Net Change in Fund Balance</i>	(33,163,736)	(17,706,075)	15,457,661
<i>Fund Balance Beginning of Year</i>	32,262,468	32,262,468	0
Prior Year Encumbrances Appropriated	901,268	901,268	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 15,457,661</u>	<u>\$ 15,457,661</u>

INDIVIDUAL FUND SCHEDULES

Proprietary Funds

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

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

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

Elyria City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Lunchroom/Cafeteria Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Sales	\$ 855,086	\$ 853,561	\$ (1,525)
Operating Expenses			
Salaries	1,000,000	829,490	170,510
Fringe benefits	189,549	323,592	(134,043)
Purchased services	1,720,065	1,736,349	(16,284)
Materials and supplies	117,500	108,626	8,874
Capital Outlay	5,500	5,713	(213)
<i>Total Operating Expenses</i>	<u>3,032,614</u>	<u>3,003,770</u>	<u>28,844</u>
<i>Operating Income (Loss)</i>	(2,177,528)	(2,150,209)	27,319
Non-Operating Revenues			
Intergovernmental	2,120,847	2,117,064	(3,783)
Interest	565	565	0
<i>Total Non-Operating Revenues</i>	<u>2,121,412</u>	<u>2,117,629</u>	<u>(3,783)</u>
<i>Net Change in Fund Equity</i>	(56,116)	(32,580)	23,536
<i>Fund Equity Beginning of Year</i>	1,051	1,051	0
Prior Year Encumbrances Appropriated	<u>55,065</u>	<u>55,065</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 0</u>	<u>\$ 23,536</u>	<u>\$ 23,536</u>

Elyria City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 6,924,189	\$ 6,260,359	\$ (663,830)
Operating Expenses			
Salaries	46,847	47,353	(506)
Fringe benefits	457,718	220,683	237,035
Purchased services	233,971	361,705	(127,734)
Claims	7,856,483	7,856,482	1
<i>Total Operating Expenses</i>	<u>8,595,019</u>	<u>8,486,223</u>	<u>108,796</u>
<i>Operating Income (Loss)</i>	<u>(1,670,830)</u>	<u>(2,225,864)</u>	<u>(555,034)</u>
Non-Operating Revenues			
Interest	8,049	7,277	(772)
<i>Income/(Loss) Before Operating Transfers</i>	(1,662,781)	(2,218,587)	(555,806)
Transfers In	1,700,000	1,700,000	0
<i>Net Change in Fund Equity</i>	37,219	(518,587)	(555,806)
<i>Fund Equity Beginning of Year</i>	<u>1,198,332</u>	<u>1,198,332</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 1,235,551</u>	<u>\$ 679,745</u>	<u>\$ (555,806)</u>

COMBINING STATEMENT AND INDIVIDUAL FUND SCHEDULES

Fiduciary Funds

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

Private Purpose Trust Fund

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

Agency Funds

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

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

Elyria City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Scholarship Trust Fund
For the Fiscal Year Ended June 30, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Interest	\$ 0	\$ 340	\$ 340
Contributions and Donations	0	16,236	16,236
<i>Total Operating Revenues</i>	<u>0</u>	<u>16,576</u>	<u>16,576</u>
Operating Expenses			
Payments in Accordance with Trust Agreements	302,425	1,999	300,426
<i>Net Change in Fund Equity</i>	(302,425)	14,577	317,002
<i>Fund Equity Beginning of Year</i>	<u>302,425</u>	<u>302,425</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 0</u>	<u>\$ 317,002</u>	<u>\$ 317,002</u>

STATISTICAL SECTION

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

	2003	2004	2005	2006	2007	Restated 2008	2009
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$ 5,455,137	\$ 4,562,508	\$ 3,933,767	\$ 3,746,145	\$ 3,359,347	\$ (2,247,500)	\$ 10,536,311
Restricted for:							
Capital Projects	2,669,729	2,122,554	1,644,202	1,931,852	5,121,548	28,645,025	19,750,648
Debt Service	769,297	576,703	373,730	950,874	27,183	506,834	969,281
Set Asides	0	0	0	0	0	44,236	137,471
Other Purposes	1,611,116	1,796,762	2,110,573	1,866,135	2,421,468	1,051,720	649,943
State Funded Programs	0	0	0	0	0	761,798	418,792
Federal Funded Programs	0	0	0	0	427,501	110,042	686,350
Student Activities	0	0	0	0	18,378	251,437	241,952
Unrestricted (Deficit)	9,558,826	6,593,715	4,041,676	(2,442,350)	(4,861,234)	(3,927,831)	(6,239,373)
Total Governmental Activities Net Assets	\$ 20,064,105	\$ 15,652,242	\$ 12,103,948	\$ 6,052,656	\$ 6,514,191	\$ 25,195,761	\$ 27,151,375
Business-type Activities:							
Invested in Capital Assets, Net of Related Debt	215,686	185,087	155,881	155,881	124,179	97,550	71,484
Unrestricted (Deficit)	159,816	212,692	227,822	(83,837)	158,005	161,750	50,752
Total Business-type Activities Net Assets	375,502	397,779	383,703	72,044	282,184	259,300	122,236
Primary Government:							
Invested in Capital Assets, Net of Related Debt	5,670,823	4,747,595	4,089,648	3,902,026	3,483,526	(2,149,950)	10,607,795
Restricted	5,050,142	4,496,019	4,128,505	4,748,861	8,016,078	31,371,092	22,854,437
Unrestricted (Deficit)	9,718,642	6,806,407	4,269,498	(2,526,187)	(4,703,229)	(3,766,081)	(6,188,621)
Total Primary Government Net Assets	\$ 20,439,607	\$ 16,050,021	\$ 12,487,651	\$ 6,124,700	\$ 6,796,375	\$ 25,455,061	\$ 27,273,611

Source: School District financial records

Note: Accrual basis of accounting. Will be reported for the last ten years when there is enough data available.

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

	2003	2004	2005	2006	2007	Restated 2008	2009
Expenses							
Governmental Activities:							
Regular Instruction	\$ 30,821,532	\$ 29,624,561	\$ 31,649,471	\$ 30,324,346	\$ 33,699,210	\$ 33,710,202	\$ 29,986,308
Special Instruction	9,309,759	9,113,085	9,763,249	9,376,862	9,944,646	10,604,886	10,744,900
Vocational Instruction	295,979	306,809	352,683	363,744	363,315	359,157	227,995
Adult Instruction	69,898	69,504	72,170	56,007	77,581	63,512	73,475
Student Intervention Services (1)	0	0	0	0	0	638,592	675,918
Other Instruction	3,023,391	3,855,812	4,682,829	5,123,266	6,138,664	6,234,168	6,673,943
Pupil Support	4,988,514	5,110,344	5,370,367	4,530,777	4,778,759	4,748,054	4,185,131
Instructional Staff Support	5,253,519	4,846,921	4,943,033	4,534,477	4,801,888	5,094,128	5,144,944
Board of Education	53,309	115,881	82,330	93,169	129,282	51,691	104,943
Administration	5,489,448	4,959,822	5,603,999	5,197,206	5,396,405	5,363,883	5,002,750
Fiscal	1,423,861	1,556,168	1,758,681	1,439,234	1,851,967	1,712,373	1,730,692
Business	964,200	832,056	1,000,184	1,148,114	680,525	787,272	664,862
Operation and Maintenance of Plant	6,792,093	6,900,583	6,639,825	7,899,488	7,235,350	8,570,873	7,833,498
Pupil Transportation	2,495,848	3,142,194	3,198,557	2,665,086	3,062,472	3,236,629	3,198,960
Central	1,718,658	1,336,426	1,565,055	1,317,013	1,353,315	1,296,655	1,364,039
Operation of Non-Instructional Services	1,712,503	1,586,493	1,854,580	1,693,187	1,721,445	1,806,047	1,760,690
Extracurricular Activities	1,495,087	1,574,321	1,400,631	1,294,248	1,347,414	1,223,070	1,425,979
Interest and Fiscal Charges	81,549	59,738	43,075	380,415	263,789	2,161,303	2,503,678
<i>Total Governmental Activities Expenses</i>	<u>75,989,148</u>	<u>74,990,718</u>	<u>79,980,719</u>	<u>77,436,639</u>	<u>82,846,027</u>	<u>87,662,495</u>	<u>83,302,705</u>
Business-type Activities:							
Food Service	2,577,737	2,618,632	2,678,175	2,704,945	3,015,498	3,144,251	3,253,678
<i>Total Business-type Activities Expenses</i>	<u>2,577,737</u>	<u>2,618,632</u>	<u>2,678,175</u>	<u>2,704,945</u>	<u>3,015,498</u>	<u>3,144,251</u>	<u>3,253,678</u>
<i>Total Primary Government Expenses</i>	<u>78,566,885</u>	<u>77,609,350</u>	<u>82,658,894</u>	<u>80,141,584</u>	<u>85,861,525</u>	<u>90,806,746</u>	<u>86,556,383</u>
Program Revenues							
Governmental Activities:							
Charges for Services							
Regular Instruction	0	615,424	212,169	1,062,428	1,282,570	1,339,605	1,793,026
Special Instruction	1,576,791	1,135,243	1,204,802	315,540	411,576	582,079	0
Adult Instruction	0	362	0	0	0	0	0
Pupil Support	0	22,063	22,345	0	19,546	0	0
Instructional Staff	0	59,322	25,201	2,277	0	0	0
Fiscal	0	30,065	30,285	0	0	0	0
Operation and Maintenance of Plant	0	0	0	77,716	77,579	74,311	76,178
Central	0	276	141	0	4,890	28,685	0
Operation of Non-Instructional Services	0	945	1,379	2,559	425	151	0
Extracurricular Activities	208,441	426,014	447,834	396,602	411,749	407,869	304,238

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

	2003	2004	2005	2006	2007	Restated 2008	2009
Operating Grants and Contributions							
Regular Instruction	0	1,099,523	1,251,001	1,613,848	2,530,266	2,187,563	181,970
Special Instruction	2,085,097	2,680,839	2,669,948	2,300,478	2,620,309	5,595,356	5,924,836
Vocational Instruction	0	0	0	0	136,457	0	225,370
Adult Instruction	72,708	68,589	71,619	148,726	81,162	83,458	69,320
Other Instruction	0	0	0	250,090	633,730	620,244	0
Pupil Support	61,501	597,555	774,176	429,815	669,449	1,648,395	649,578
Instructional Staff Support	922,320	1,761,242	2,834,389	1,904,682	2,361,618	2,437,879	2,638,976
Administration	140,874	679,642	905,757	1,037,027	813,880	726,145	402,762
Business	0	0	0	0	22,589	26,351	0
Operation and Maintenance of Plant	0	1,027	0	111,408	493,754	440,378	584,371
Pupil Transportation	49,979	73,966	91,798	0	498,800	688,697	115,712
Central	30,346	89,854	95,670	89,188	179,022	89,184	108,422
Operation of Non-Instructional Services	1,082,753	1,185,307	0	1,218,120	1,219,320	1,273,479	1,175,869
Extracurricular Activities	0	0	1,219,654	55,007	93,645	59,381	41,298
Capital Grants and Contributions							
Regular Instruction	0	0	0	0	43,935	0	0
Special Instruction	0	0	0	0	7,185	0	0
Instructional Staff Support	0	0	0	0	501	0	0
Fiscal	0	0	0	0	0	0	57,294
Central	70,595	0	72,135	0	0	0	0
Operation and Maintenance of Plant	0	161,488	0	0	14,689	0	1,377,210
Pupil Transportation	0	0	0	37,077	45,253	20,837	42,413
Extracurricular Activities	0	0	0	0	17,951	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>6,301,405</u>	<u>10,688,746</u>	<u>11,930,303</u>	<u>11,052,588</u>	<u>14,691,850</u>	<u>18,330,047</u>	<u>15,768,843</u>
							(continued)
Business-type Activities:							
Charges for Services							
Food Service	\$ 840,491	\$ 885,967	\$ 819,045	\$ 812,436	\$ 859,248	\$ 830,195	\$ 3,116,049
Operating Grants and Contributions	1,661,653	1,844,303	1,843,386	1,578,490	2,364,057	2,289,921	0
<i>Total Business-type Activities Program Revenues</i>	<u>2,502,144</u>	<u>2,730,270</u>	<u>2,662,431</u>	<u>2,390,926</u>	<u>3,223,305</u>	<u>3,120,116</u>	<u>3,116,049</u>
<i>Total Primary Government Program Revenues</i>	<u>8,803,549</u>	<u>13,419,016</u>	<u>14,592,734</u>	<u>13,443,514</u>	<u>17,915,155</u>	<u>21,450,163</u>	<u>18,884,892</u>

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

	2003	2004	2005	2006	2007	Restated 2008	2009
Net (Expense)/Revenue							
Governmental Activities	(69,687,743)	(64,301,972)	(68,050,416)	(66,384,051)	(68,154,177)	(69,332,448)	(67,533,862)
Business-type Activities	(75,593)	111,638	(15,744)	(314,019)	207,807	(24,135)	(137,629)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>\$ (69,763,336)</u>	<u>\$ (64,190,334)</u>	<u>\$ (68,066,160)</u>	<u>\$ (66,698,070)</u>	<u>\$ (67,946,370)</u>	<u>\$ (69,356,583)</u>	<u>\$ (67,671,491)</u>
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Property Taxes Levied for:							
General Purposes	\$ 34,373,284	\$ 30,077,354	\$ 33,255,486	\$ 28,393,790	\$ 31,469,428	\$ 29,463,435	\$ 26,727,846
Debt Service	267,286	173,964	165,325	952,421	0	1,750,830	2,398,152
Other Purposes	0	0	0	0	0	0	408,269
Grants and Entitlements not							
Restricted to Specific Programs	32,727,126	28,971,881	30,408,503	29,446,131	32,601,312	53,735,625	38,831,619
Investment Earnings	506,654	299,727	441,169	588,635	835,465	2,392,798	244,585
Miscellaneous	1,572,814	183,727	316,991	1,335,485	112,603	671,330	879,005
Transfers	(147,605)	0	0	0	0	0	0
<i>Total Governmental Activities</i>	<u>69,299,559</u>	<u>59,706,653</u>	<u>64,587,474</u>	<u>60,716,462</u>	<u>65,018,808</u>	<u>88,014,018</u>	<u>69,489,476</u>
Business-type Activities:							
Investment Earnings	483	542	1,668	2,360	2,333	1,251	565
Transfers	147,605	0	0	0	0	0	0
<i>Total Business-type Activities</i>	<u>148,088</u>	<u>542</u>	<u>1,668</u>	<u>2,360</u>	<u>2,333</u>	<u>1,251</u>	<u>565</u>
<i>Total Primary Government</i>	<u>69,447,647</u>	<u>59,707,195</u>	<u>64,589,142</u>	<u>60,718,822</u>	<u>65,021,141</u>	<u>88,015,269</u>	<u>69,490,041</u>
Change in Net Assets							
Governmental Activities	(388,184)	(4,595,319)	(3,462,942)	(5,667,589)	(3,135,369)	18,681,570	1,955,614
Business-type Activities	72,495	112,180	(14,076)	(311,659)	210,140	(22,884)	(137,064)
<i>Total Primary Government Change in Net Assets</i>	<u>\$ (315,689)</u>	<u>\$ (4,483,139)</u>	<u>\$ (3,477,018)</u>	<u>\$ (5,979,248)</u>	<u>\$ (2,925,229)</u>	<u>\$ 18,658,686</u>	<u>\$ 1,818,550</u>

Source: School District financial records

Note: Accrual basis of accounting. Will be reported for the last ten years when there is enough data available.

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

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

	2003	2004	2005	2006	2007	Restated 2008	2009
General Fund							
Reserved	\$ 4,588,079	\$ 4,476,170	\$ 6,203,101	\$ 4,782,671	\$ 5,573,877	\$ 4,843,019	\$ 2,142,769
Unreserved	4,376,261	(87,818)	(4,564,004)	(4,612,445)	(2,809,417)	(3,932,789)	(3,682,599)
<i>Total General Fund</i>	<u>8,964,340</u>	<u>4,388,352</u>	<u>1,639,097</u>	<u>170,226</u>	<u>2,764,460</u>	<u>910,230</u>	<u>(1,539,830)</u>
All Other Governmental Funds							
Reserved	1,195,833	1,106,076	644,959	1,969,228	407,360	1,242,278	36,636,916
Unreserved, Undesignated, Reported in:							
Special Revenue Funds	1,124,304	921,203	676,252	1,714,596	2,505,017	2,002,079	756,444
Debt Service Fund	0	0	0	27,183	27,183	227,063	829,503
Capital Projects Funds	2,606,183	2,057,448	1,503,904	756,482	5,039,861	42,674,720	16,718,713
<i>Total All Other Governmental Funds</i>	<u>4,926,320</u>	<u>4,084,727</u>	<u>2,825,115</u>	<u>4,467,489</u>	<u>7,979,421</u>	<u>46,146,140</u>	<u>54,941,576</u>
<i>Total Governmental Funds</i>	<u><u>\$ 13,890,660</u></u>	<u><u>\$ 8,473,079</u></u>	<u><u>\$ 4,464,212</u></u>	<u><u>\$ 4,637,715</u></u>	<u><u>\$ 10,743,881</u></u>	<u><u>\$ 47,056,370</u></u>	<u><u>\$ 53,401,746</u></u>

Source: School District financial records

Note: Accrual basis of accounting. Will be reported for the last ten years when there is enough data available.

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

	2003	2004	2005	2006	2007	Restated 2008	2009
Revenues							
Property and Other Local Taxes	\$ 32,312,688	\$ 30,060,012	\$ 32,484,610	\$ 32,040,353	\$ 31,183,300	\$ 30,892,056	\$ 29,165,954
Intergovernmental	37,609,121	37,522,772	39,566,176	39,672,825	44,543,615	49,267,252	68,328,944
Interest	436,535	274,734	385,568	498,059	723,588	2,319,616	1,504,388
Tuition and Fees	1,367,169	1,478,415	1,204,802	1,349,965	1,672,369	1,914,967	1,488,391
Extracurricular Activities	208,441	263,465	255,565	333,198	347,197	360,412	304,241
Contributions and Donations	0	0	0	148,045	446,259	200,399	828,639
Rentals	0	0	0	77,717	77,579	74,311	76,178
Charges for Services	261,887	250,386	164,623	2,559	425	0	0
Miscellaneous	1,217,433	477,723	627,095	1,511,748	223,370	748,506	882,518
<i>Total Revenues</i>	<u>73,413,274</u>	<u>70,327,507</u>	<u>74,688,439</u>	<u>75,634,469</u>	<u>79,217,702</u>	<u>85,777,519</u>	<u>102,579,253</u>
Expenditures							
Current:							
Instruction:							
Regular	29,177,819	29,919,369	30,145,146	29,539,837	30,594,294	29,976,879	29,960,875
Special	8,947,016	9,403,221	9,597,893	9,238,499	9,243,533	10,408,901	10,408,188
Vocational	276,238	296,045	350,838	344,886	363,831	361,101	226,607
Adult	69,347	68,953	71,619	55,732	77,197	62,930	72,801
Student Intervention Services (1)	0	0	0	0	0	638,592	675,918
Other	3,023,391	3,855,812	4,682,829	5,123,266	6,061,018	6,179,830	6,676,199
Support Services:							
Pupils	4,869,487	5,247,102	5,223,783	4,506,386	4,434,255	4,689,388	4,082,001
Instructional Staff	4,969,212	4,677,036	4,884,329	4,364,576	4,537,661	4,933,754	4,937,837
Board of Education	53,309	115,881	82,330	93,169	129,282	51,691	104,943
Administration	5,151,754	5,193,092	5,419,991	5,022,970	5,091,119	5,275,225	4,759,736
Fiscal	1,381,960	1,560,604	1,756,688	1,395,835	1,811,457	1,694,880	1,714,090
Business	944,392	760,545	999,273	1,131,684	671,140	785,067	646,906
Operation and Maintenance of Plant	6,394,881	6,352,738	6,272,668	7,351,557	6,719,659	6,813,775	6,869,330
Pupil Transportation	2,481,359	3,095,430	3,198,557	2,562,518	3,062,472	3,236,629	3,198,960
Central	1,500,277	1,157,404	1,395,321	1,129,708	1,253,318	1,259,553	1,326,184
Operation of Non-Instructional Services	1,724,033	1,578,708	1,902,631	1,615,447	1,690,632	1,744,942	1,847,686
Extracurricular Activities	1,366,050	1,393,910	1,367,461	1,272,262	1,328,896	1,216,074	1,404,073
Capital Outlay	391,273	783,234	357,455	6,351,373	201,220	7,392,177	12,501,387
Debt Service:							
Principal Retirement	366,438	375,294	418,049	895,875	576,763	5,582,990	759,594
Interest and Fiscal Charges	83,271	61,614	44,046	380,415	267,322	1,901,235	2,362,890
Issuance Costs	0	0	0	0	0	191,111	0
<i>Total Expenditures</i>	<u>73,171,507</u>	<u>75,895,992</u>	<u>78,170,907</u>	<u>82,375,995</u>	<u>78,115,069</u>	<u>94,396,724</u>	<u>94,536,205</u>

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

	2003	2004	2005	2006	2007	Restated 2008	2009
<i>Excess of Revenues Over (Under) Expenditures</i>	241,767	(5,568,485)	(3,482,468)	(6,741,526)	1,102,633	(8,619,205)	8,043,048
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	0	3,299	11,731	0	0	0	2,328
Bond Anticipation Notes Issued	0	0	0	0	5,000,000	0	0
Accrued Interest Received on Notes Issued	0	0	0	0	3,533	0	0
Premium on Bonds	0	0	0	0	0	631,723	0
General Obligation Bonds Issued	0	0	0	0	0	44,999,971	0
Inception of Capital Lease	0	0	0	6,915,029	0	0	0
Transfers In	727,713	279,502	2,400,000	597,608	983,000	1,465,002	4,376,275
Transfers Out	(875,318)	(279,502)	(2,400,000)	(597,608)	(983,000)	(2,165,002)	(6,076,275)
<i>Total Other Financing Sources (Uses)</i>	<u>(147,605)</u>	<u>3,299</u>	<u>11,731</u>	<u>6,915,029</u>	<u>5,003,533</u>	<u>44,931,694</u>	<u>(1,697,672)</u>
<i>Net Change in Fund Balances</i>	<u>\$ 94,162</u>	<u>\$ (5,565,186)</u>	<u>\$ (3,470,737)</u>	<u>\$ 173,503</u>	<u>\$ 6,106,166</u>	<u>\$ 36,312,489</u>	<u>\$ 6,345,376</u>
Debt Service as a Percentage of Noncapital Expenditures	0.62%	0.58%	0.59%	1.68%	1.08%	8.82%	3.80%

Source: School District financial records

Note: Accrual basis of accounting. Will be reported for the last ten years when there is enough data available.

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

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

Collection Year	Real Property			Tangible Personal Property				Total		Ratio	Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2000	\$431,617,380	\$209,611,320	\$1,832,082,000	\$51,049,790	\$ 58,011,125	\$146,075,720	\$584,302,880	\$838,354,210	\$2,474,396,005	33.88%	52.71
2001	523,584,800	227,864,250	2,146,997,286	45,315,950	51,495,398	158,244,650	632,978,600	955,009,650	2,831,471,283	33.73%	57.11
2002	524,403,510	229,499,350	2,154,008,171	33,609,340	38,192,432	156,666,730	626,666,920	944,178,930	2,818,867,523	33.49%	57.09
2003	528,246,494	232,427,206	2,173,353,429	34,479,990	39,181,807	160,437,610	641,750,440	955,591,300	2,854,285,675	33.48%	56.81
2004	562,129,020	253,380,260	2,330,026,514	31,978,290	36,338,966	146,627,529	586,510,116	994,115,099	2,952,875,596	33.67%	56.73
2005	559,361,640	253,380,260	2,322,119,714	31,978,290	36,338,966	149,394,909	597,579,636	994,115,099	2,956,038,316	33.63%	56.48
2006	565,572,840	256,594,940	2,349,050,800	29,596,200	33,632,045	108,182,189	432,728,756	959,946,169	2,815,411,601	34.10%	56.48
2007	647,833,150	279,420,710	2,649,296,743	28,977,010	32,928,420	72,156,961	288,627,844	1,028,387,831	2,970,853,007	34.62%	59.40
2008	648,931,130	277,184,760	2,646,045,400	20,155,070	22,903,489	35,539,997	142,159,988	981,810,957	2,811,108,877	34.93%	63.30
2009	648,708,757	277,354,880	2,645,896,106	20,633,480	23,447,136	1,595,675	6,382,700	948,292,792	2,675,725,942	35.44%	63.50

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

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

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

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

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

Collection Year	Effective Rates		Elyria School Levy	City of Elyria Levy	Lorain County Levy	JVS	Lorain Library District	Total Levy
	Residential/Agricultural	Commercial/Industrial/PU						
2000	\$ 49.35	\$ 56.46	\$ 52.71	\$ 11.00	\$ 10.79	\$ 2.45	\$ 0.00	\$ 76.95
2001	49.35	56.46	57.11	11.00	10.79	2.45	0.00	81.35
2002	49.35	56.46	57.09	4.20	12.89	2.45	0.00	76.63
2003	49.35	56.46	56.81	4.20	12.89	2.45	0.00	76.35
2004	49.35	46.46	56.73	4.20	12.89	2.45	0.00	76.27
2005	49.25	56.46	56.48	5.20	13.19	2.45	0.00	77.32
2006	49.35	56.46	56.48	5.20	13.49	2.45	0.15	77.77
2007	45.57	53.03	59.40	5.20	13.49	2.45	0.00	80.54
2008	49.54	57.30	63.30	5.20	13.39	2.45	0.00	84.34
2009	49.75	57.75	63.50	5.20	13.39	2.45	0.00	84.54

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

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

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Delinquent Tax Receivable
1999	\$ 24,134,465	\$ 23,417,468	97.03%	665,700	24,083,168	99.79%	716,997
2000	24,150,777	23,505,881	97.33%	607,448	24,113,329	99.84%	644,896
2001	24,464,870	23,683,286	96.81%	591,915	24,275,201	99.22%	781,584
2002	29,540,935	29,399,440	99.52%	1,274,768	30,674,208	103.84%	141,495
2003	32,941,887	31,652,776	96.09%	1,210,319	32,863,095	99.76%	1,289,111
2004	33,139,216	31,391,812	94.73%	1,049,836	32,441,648	97.90%	1,747,404
2005	34,640,923	31,865,879	91.99%	1,257,136	33,123,015	95.62%	1,517,908
2006	35,127,106	32,068,069	91.29%	1,848,562	33,916,631	96.55%	1,210,475
2007	38,817,560	32,698,099	84.24%	2,104,300	34,802,399	89.66%	2,170,765
2008	40,461,300	34,611,161	85.54%	1,990,356	36,601,517	90.46%	2,539,078

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2009 information cannot be presented because all collections have not been made by June 30, 2009.
- (3) The County does not identify delinquent tax collections by tax year.

Elyria City School District
Principal Taxpayers - Real Estate Tax
2009 and 2000
Amount in 000's

Name of Taxpayer	2009	
	Assessed Value (1)	Percent of Real Property Assessed Value
Centro Midway LLC	\$ 15,709	0.00%
Ohio Edison	14,959	0.00%
New Plan of Midway LLC	7,940	0.00%
First Inertstae Elyria	6,236	0.00%
Hunters Crossing	4,126	0.00%
HK New Plan Exchange	3,769	0.00%
Elyria United	3,416	0.00%
Invacare Corportation	3,372	0.00%
Midway Realty Company	3,278	0.00%
Dayton Hudson	3,116	0.00%
Totals	<u>\$65,921</u>	<u>0.01%</u>
Total Assessed Valuation	<u>\$948,292,792</u>	

Name of Taxpayer	2000	
	Assessed Value (1)	Percent of Real Property Assessed Value
Ohio Edison	\$ 20,412	0.00%
Elyria joint Venture	13,294	0.00%
Alltel Ohio	11,625	0.00%
Columbia Gas	6,539	0.00%
First Interstate	5,795	0.00%
West River Road	4,796	0.00%
Sears Roebuck & Company	3,850	0.00%
Lorin Medical Investors	3,169	0.00%
Holiday Inn of Elyria	2,868	0.00%
Westway Gardens LTD	2,165	0.00%
Totals	<u>\$74,513</u>	<u>0.01%</u>
Total Assessed Valuation	<u>\$838,354,210</u>	

(1) The amounts presented represent the assessed values upon which 2008 and 2000 collections were based.

Source: City of Elyria comprehensive annual financial report, for the year ended December 31, 2008

Elyria City School District
Ratio of Debt
to Assessed Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt				Total Debt				
			General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita	Capital Leases	Total Debt Primary Government(3)	Ratio of General Debt to Estimated Actual Value	Percentage of Personal Income
2000	56,746	\$ 838,354,210	\$ 1,935,000	\$ 576,148	\$ 1,358,852	0.16	\$ 23.95	\$ 0	\$ 1,935,000	0.23%	0.19%
2001	55,953	955,009,650	1,660,000	664,300	995,700	0.10	17.80	0	1,660,000	0.17%	0.17%
2002	55,953	944,178,930	1,360,000	855,140	504,860	0.05	9.02	0	1,360,000	0.14%	0.14%
2003	55,953	955,591,300	1,050,000	734,399	315,601	0.03	5.64	0	1,050,000	0.11%	0.12%
2004	55,953	994,115,099	720,000	540,747	179,253	0.02	3.20	139,216	859,216	0.09%	0.09%
2005	55,953	994,115,099	370,000	329,415	40,585	0.00	0.73	71,167	441,167	0.04%	0.05%
2006	55,953	959,946,169	0	27,183	(27,183)	(0.00)	(0.49)	6,460,321	6,460,321	0.67%	0.69%
2007	55,953	1,028,387,831	5,000,000	27,183	4,972,817	0.48	88.87	5,883,558	10,883,558	1.06%	1.13%
2008	55,953	981,810,957	44,999,971	545,755	44,454,216	4.53	794.49	6,525,568	51,525,539	5.25%	#VALUE!
2009	55,953	948,292,792	44,919,971	977,337	43,942,634	4.63	785.35	5,845,974	50,765,945	5.35%	#VALUE!

Sources: (1) U.S. Bureau of Census, Census of Population
(a) Years 2000 and 1999 - 1990 Federal Census
(b) Years 2001 through 2008 - 2000 Federal Census
(2) Office of the County Auditor, Lorain County, Ohio
(3) See notes to the financial statements regarding the School districts outstanding debt information.
Excludes accretion interest on capital appreciation bonds.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Tax Valuation	\$ 838,354,210	\$ 955,009,650	\$ 944,178,930	\$ 955,591,300	\$ 994,115,099	\$ 994,115,099	\$ 959,946,169	\$1,028,387,831	\$ 981,810,957	\$ 948,292,792
Debt Limit - 9% of Taxable Valuation (1)	\$ 75,451,879	\$ 85,950,869	\$ 84,976,104	\$ 86,003,217	\$ 89,470,359	\$ 89,470,359	\$ 86,395,155	\$ 92,554,905	\$ 88,362,986	\$ 85,346,351
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	1,935,000	1,660,000	1,360,000	1,050,000	720,000	370,000	0	0	44,999,971	44,919,971
Bond Anticipation Notes	0	0	0	0	0	0	0	5,000,000	0	0
Less: Amount Available in Debt Service	(576,148)	(664,300)	(855,140)	(734,399)	(540,747)	(329,415)	(27,183)	(27,183)	(545,755)	(977,337)
Amount of Debt Subject to Limit	1,358,852	995,700	504,860	315,601	179,253	40,585	(27,183)	4,972,817	44,454,216	43,942,634
Legal Debt Margin	\$74,093,027	\$84,955,169	\$84,471,244	\$85,687,616	\$89,291,106	\$89,429,774	\$86,422,338	\$87,582,088	\$43,908,770	\$41,403,717
Legal Debt Margin as a Percentage of the Debt Limit	98.20%	98.84%	99.41%	99.63%	99.80%	99.95%	100.03%	94.63%	49.69%	48.51%
Unvoted Debt Limit - 10% of Taxable Valuation (1)	\$ 838,354	\$ 955,010	\$ 944,179	\$ 955,591	\$ 994,115	\$ 994,115	\$ 959,946	\$ 1,028,388	\$ 981,811	\$ 948,293
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Lorain County Auditor and School District Financial Records

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

Elyria City School District
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2009

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (2)	Amount of Direct and Overlapping Debt
Direct Debt:			
Payable from Property Taxes Elyria City School District	\$ 44,919,971	100.00%	\$ 44,919,971
Overlapping:			
City of Elyria (1) General Obligation Bonds	\$ 27,285,924	14.44%	\$ 3,940,087
Lorin County (1) General Obligation Bonds	<u>26,435,000</u>	91.40%	<u>24,161,590</u>
Total Overlapping Debt	<u>53,720,924</u>		<u>28,101,677</u>
Total Direct and Overlapping Debt	<u>\$ 98,640,895</u>		<u>\$ 73,021,648</u>

Source: (1) City of Elyria comprehensive annual financial report,
for the year ended December 31, 2008

(2) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2009 collection year.

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

Year	Elyria CSD Area Population (1)	Lorain County Population	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)	Median Income
2000	56,746	89,598	1,022,980,574	\$ 18,027	7.00%	\$ 28,732
2001	55,953	90,895	989,915,608	17,692	6.30%	27,184
2002	55,953	961,804	966,261,015	17,269	5.70%	27,969
2003	55,953	92,722	879,667,017	15,722	5.70%	27,400
2004	55,953	93,941	906,077,970	16,194	5.90%	27,045
2005	55,953	94,602	928,635,316	16,597	7.90%	26,872
2006	55,953	95,218	933,798,217	16,689	7.40%	27,248
2007	55,953	95,218	962,029,634	19,344	6.10%	26,559
2008	55,953	95,218	n/a	19,344	5.50%	27,244
2009	55,953	95,218	n/a	19,344	5.20%	27,253

Sources: 1) US Bureau of Census, Census of Population.
(a) Years 2008 and 2007 - 2000 Federal Census
2) Ohio Department of Taxation
3) U.S. Department of Labor

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

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

Employer	2008			1999		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
EMH Regional Medical Center	1,681	1	6.23%	1,251	2	4.17%
Lorain County	1,375	2	5.09%	1,598	1	5.33%
Invacare Corp.	752	3	2.79%	1,062	3	3.54%
Elyria City Schools	970	4	3.59%	956	4	3.19%
Ridge Tool Company	615	5	2.28%	800	6	2.67%
Parker Hannifin Corporation	510	6	1.89%	470	8	1.57%
The City of Elyria	506	7	1.87%	532	7	1.77%
Lorain County Community College	424	8	1.57%	330	10	1.10%
Bendix Commercial Vehicle Systems LLC	411	9	1.52%	N/A	N/A	0.00%
Elyria Foundry Company	362	10	1.34%	N/A	N/A	0.00%
Murray Ridge Production Center	N/A	N/A	0.00%	409	9	1.36%
York International Corporation	N/A	N/A	0.00%	951	5	3.17%
Total	<u>7,606</u>		<u>28.17%</u>	<u>8,359</u>		<u>27.86%</u>
Total Employment within the School District	<u>27,000</u>			<u>30,000</u>		

(1) The information was not available for 2009.

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Regular instruction						
Elementary classroom teachers	275.34	286.50	294.44	214.30	204.70	200.80
High school classroom teachers	97.82	99.68	101.50	170.20	160.60	160.60
Special instruction						
Elementary classroom teachers	45.30	48.49	50.42	72.50	70.26	75.49
Supplemental Service Teacher	9.70	9.50	11.50	27.60	29.77	30.15
High school classroom teachers	20.40	22.50	23.00	37.00	37.00	37.00
Vocational instruction						
High school classroom teachers	2.00	2.00	2.00	2.00	4.00	0.00
Pupil support services						
Adapted Physical Education Therapist	2.00	2.50	2.40	1.60	1.60	1.60
Curriculum Specialist	2.00	2.00	2.00	2.00	2.00	2.00
Educational Services Teacher	6.20	6.00	7.80	9.20	9.10	0.00
Guidance counselors	1.00	1.00	32.00	27.20	29.00	23.00
Librarians	2.00	1.00	9.00	27.90	21.00	24.15
Nurse	0.67	0.67	5.00	5.00	5.00	5.00
Occupational Therapist	5.00	5.00	5.00	5.00	5.00	4.00
Other Professional - Educational	9.20	10.60	12.00	27.00	27.00	43.00
Physical Therapist	2.00	3.00	3.00	3.00	3.00	3.00
Psychologists	1.00	1.00	17.00	8.80	8.75	13.32
Remedial Specialist	26.00	29.50	30.14	32.50	28.50	15.50
Social Work	1.00	1.00	1.00	4.20	4.29	2.15
Speech and language pathologists	8.70	9.68	10.36	11.00	10.92	9.93
Teacher Mentor/Evaluator	12.00	12.00	12.00	15.00	35.00	30.00
Tutor/Small Group Instructor	28.40	29.50	31.01	16.00	24.60	7.35
Administrators						
Elementary	22.00	22.10	23.00	23.00	15.00	14.00
High school	18.00	20.00	22.00	22.00	11.00	13.00
Operation of plant						
Custodians	5.00	5.00	5.00	56.50	56.25	53.25
Pupil transportation						
Bus drivers	44.00	48.00	45.00	45.00	45.00	45.00
Food service program						
Elementary cooks	12.50	14.00	12.00	53.60	53.83	55.83
High school cooks	5.00	5.00	5.00	32.80	32.80	32.80

Source: School District Records.

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

Note: Information prior to 2004 is not available.

Elyria City School District

Building Statistics

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Elyria High School										
Constructed in 1894										
Total building square footage	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207
Enrollment grades 9-12	1,771	2,044	2,022	1,886	1,977	2,010	2,059	2,087	2,008	2,069
Student capacity	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832
Eastern Heights Middle High School										
Constructed in 1969										
Total building square footage	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820
Enrollment grades 7 - 8	412	405	380	411	410	397	410	374	362	593
Student capacity	601	601	601	601	601	601	601	601	601	601
Northwood Middle High school										
Constructed in 1961										
Total building square footage	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076
Enrollment grades 7 - 8	444	436	475	490	485	433	409	407	420	443
Student capacity	487	487	487	487	487	487	487	487	487	487
Westwood Middle High School										
Constructed in 1970										
Total building square footage	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226
Enrollment grades 7 - 8	397	421	413	407	438	418	393	377	386	361
Student capacity	466	466	466	466	466	466	466	466	466	466
Hilltop Academy										
Constructed in 2001										
Total building square footage	n/a	15,745	15,745	15,745	15,745	15,745	15,745	15,745	15,745	15,745
Enrollment grades 6 - 9	n/a	20	29	33	31	25	26	19	24	21
Cascade Elementary										
Constructed in 1929										
Total building square footage	35,472	35,472	35,472	35,472	35,472	35,472	35,472	35,472	35,472	Closed
Enrollment grades K - 6	396	403	366	352	351	333	295	248	250	
Student capacity	550	550	550	550	550	550	550	550	550	
Crestwood Elementary										
Constructed in 1955										
Total building square footage	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018
Enrollment grades K - 6	468	455	447	427	434	381	374	348	307	364
Student capacity	625	625	625	625	625	625	625	625	625	625

(continued)

Elyria City School District

Building Statistics

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Eastgate Elementary										
Constructed in 1961										
Total building square footage	38,957	38,957	38,957	38,957	38,957	38,957	38,957	38,957	38,957	Closed
Enrollment grades K - 6	347	383	358	337	334	305	282	277	317	
Student capacity	575	575	575	38,957	38,957	38,957	38,957	38,957	38,957	
Ely Elementary										
Constructed in 1920										
Total building square footage	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174
Enrollment grades K - 6	545	461	442	426	415	398	361	350	366	520
Student capacity	550	550	550	550	550	550	550	550	550	550
Erie Elementary										
Constructed in 1969										
Total building square footage	36,183	36,183	36,183	36,183	36,183	36,183	36,183	36,183	36,183	36,183
Enrollment grades K - 6	295	297	306	310	316	299	283	275	267	307
Student capacity	375	375	375	375	375	375	375	375	375	375
Franklin Elementary										
Constructed in 1950										
Total building square footage	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275
Enrollment grades K - 6	397	389	398	307	274	270	293	321	382	373
Student capacity	800	800	800	800	800	800	800	800	800	800
McKinley Elementary										
Constructed in 1907										
Total building square footage	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273
Enrollment grades K - 6	367	384	352	343	351	353	346	362	388	381
Student capacity	550	550	550	550	550	550	550	550	550	550
Oakwood Elementary										
Constructed in 1961										
Total building square footage	35,556	35,556	35,556	500	500	500	500	500	500	500
Enrollment grades 1 - 6	353	363	350	360	364	370	360	350	308	292
Student capacity	450	450	450	450	450	450	450	450	450	450
Prospect Elementary										
Constructed in 1965										
Total building square footage	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401
Enrollment grades K - 6	387	401	381	367	381	354	344	316	303	416
Student capacity	500	500	500	500	500	500	500	500	500	500

Elyria City School District

Building Statistics

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Roosevelt Elementary										
Constructed in 1922										
Total building square footage	61,861	61,861	61,861	61,861	61,861	61,861	61,861	61,861	61,861	61,861
Enrollment grades K - 6	396	470	449	448	461	406	345	341	345	293
Student capacity	650	650	650	650	650	650	650	650	650	650
Windsor Elementary										
Constructed in 1963										
Total building square footage	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201
Enrollment grades K - 6	435	443	426	409	408	417	426	398	386	400
Student capacity	675	675	675	675	675	675	675	675	675	675
Kindergarten Village										
Constructed in 1999										
Total building square footage	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369
Enrollment grades K - 1	293	313	314	311	324	318	305	335	353	271
Spring Valley Early Childhood Center										
Constructed in 1996										
Total building square footage	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785
Enrollment grades n/a	64	43	44	41	44	43	41	85	244	291

Source: School District Records.

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

Fiscal Year	Expenses (1)	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio
2000	n/a	7,735	n/a	n/a	498	15.5
2001	n/a	8,289	n/a	n/a	552	15.0
2002	n/a	8,090	n/a	n/a	556	14.6
2003	\$ 78,566,885	7,820	\$ 10,047	n/a	561	13.9
2004	77,609,350	7,815	9,931	-116%	537	14.6
2005	82,658,894	7,528	10,980	1057%	536	14.0
2006	80,141,584	7,335	10,926	-49%	491	14.9
2007	85,861,525	7,277	11,799	7.99%	491	14.8
2008	85,796,656	7,315	11,729	-0.59%	483	15.1
2009	86,556,383	7,289	11,875	1.25%	503	14.5

Source: School District Records.

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

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

Elyria City School District
Teachers' Salaries
Last Ten Fiscal Years

Fiscal Year	Minimum Salary ¹	Average Salary ²	Average Salary Comparable Districts ³	Statewide Average Salary ⁴
2000	\$ 26,852	\$ 40,362	n/a	n/a
2001	28,912	41,887	\$ 47,745	\$ 42,995
2002	29,777	43,382	48,213	43,755
2003	27,738	45,736	50,557	45,645
2004	28,792	48,112	52,549	47,659
2005	29,512	49,137	55,419	49,438
2006	29,512	49,171	58,590	50,772
2007	29,512	51,554	57,736	53,536
2008	31,155	50,673	58,390	53,410
2009	31,934	51,535	60,208	54,656

Source: School District Records.

- (1) Starting teacher with no experience.
- (2) Provided by the Ohio Department of Education.
- (3) Provided by the Ohio Department of Education.
- (4) Provided by the Ohio Department of Education.

Elyria City School District
Teachers by Education
Last Eight Fiscal Years

<u>Degree</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Bachelor's Degree	337	395	318	324	469	484	184	143
Master's Degree	288	267	263	216	271	300	421	389
Doctorate	3	5	2	2	3	3	4	2
Total	<u>628</u>	<u>667</u>	<u>583</u>	<u>542</u>	<u>743</u>	<u>787</u>	<u>609</u>	<u>534</u>

Source: School District Records. Information prior to 2002 is not available.

Elyria City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	High Schools	Total
2000	5,964	1,771	7,735
2001	6,225	2,064	8,289
2002	6,039	2,051	8,090
2003	5,901	1,919	7,820
2004	5,807	2,008	7,815
2005	5,493	2,035	7,528
2006	5,250	2,085	7,335
2007	5,171	2,106	7,277
2008	5,236	2,079	7,315
2009	5,193	2,096	7,289

Source: Ohio Department of Education.

Elyria City School District
Nutrition Services
Last Ten Fiscal Years

<u>Degree</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Average daily membership	7,289	7,315	7,277	7,335	7,528	7,815	7,820	8,090	8,289	7,735
Total students eligible for free lunch	3,566	3,495	3,479	3,352	3,291	2,946	2,736	2,530	2,388	2,475
Participation percent	49%	48%	48%	46%	44%	38%	35%	31%	29%	32%
Total student eligible for reduced lunch	695	623	699	663	677	757	702	756	713	727
Participation percent	10%	9%	10%	9%	9%	10%	9%	9%	9%	9%
Total	<u>4,261</u>	<u>4,118</u>	<u>4,178</u>	<u>4,015</u>	<u>3,968</u>	<u>3,703</u>	<u>3,438</u>	<u>3,286</u>	<u>3,101</u>	<u>3,202</u>

Source: Ohio Department of Education.

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

Fiscal Year	Elyria CSD Average	State Average
2000	16.28	18.10
2001	14.77	18.00
2002	14.15	16.90
2003	14.19	16.50
2004	14.42	18.50
2005	14.13	18.50
2006	14.97	18.60
2007	15.45	19.60
2008	15.14	18.60
2009	14.49	n/a

Source: Ohio Department of Education.

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

Fiscal Year	Elyria CSD Attendance Rate	State Average	Elyria CSD Graduation Rate	State Average
2000	93.20%	93.60%	68.30%	80.60%
2001	93.00%	93.90%	81.30%	81.10%
2002	93.40%	94.30%	82.80%	82.70%
2003	94.20%	94.50%	82.10%	84.30%
2004	94.50%	94.50%	80.50%	85.90%
2005	94.60%	94.30%	84.40%	86.20%
2006	94.70%	94.10%	89.30%	86.10%
2007	94.30%	94.10%	91.50%	86.90%
2008	94.90%	94.20%	89.60%	84.60%
2009	94.30%	94.30%	n/a	n/a

Source: Ohio Department of Education.



Mary Taylor, CPA
Auditor of State

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 18, 2010