

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

Audit Report

For the Year Ended June 30, 2008

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Elyria City School District, Lorain County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2007 through June 30, 2008. 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 11, 2009

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ELYRIA CITY SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2008

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**OPINION ON SUPPLEMENTARY SCHEDULE
OF FEDERAL AWARDS EXPENDITURES**

**Elyria City School District
Lorain County
42101 Griswold Road
Elyria, Ohio 44035**

To the Board of Education:

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 (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 29, 2009. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Charles E. Harris & Associates, Inc.
January 29, 2009

ELYRIA CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
<u>U.S. Department of Agriculture</u>				
Passed Through the Ohio Department of Agriculture				
Food Distribution	N/A	10.550	\$ 108,028	\$ 108,028
Nutrition Cluster:				
National School Breakfast Program	043943-05PU-2008	10.553	510,977	510,977
Summer Food Program	043943-23PU-2008	10.559	73,225	73,225
National School Lunch Program	043943-LLP4-2008	10.555	1,384,159	1,384,159
Total Nutrition Cluster			1,968,361	1,968,361
Team Nutrition	N/A	10.574	0	43
Total U.S. Department of Agriculture			\$ 2,076,389	\$ 2,076,432
<u>U.S. Department of Education</u>				
Passed Through Ohio Department of Education				
Mentoring 2007	N/A	84.184B	\$ 23,000	\$ 13,940
Mentoring 2008	N/A	84.184B	191,670	167,150
Total Mentoring			214,670	181,090
Special Education Cluster:				
Preschool 2007	043943-PGS1-2007	84.173	6,038	12,051
Preschool 2008	043943-PGS1-2008	84.173	67,827	65,536
Title VI-B 2007 Flow Thru	043943-6BSF-2007	84.027	10,284	312,018
Title VI-B 2008	043943-6BSF-2008	84.027	2,493,892	2,205,119
Total Special Education Cluster			2,578,041	2,594,724
Adult Basic Education 2007	043943-ABS1-2007	84.002	13,676	19,934
Adult Basic Education 2008	043943-ABS1-2008	84.002	153,896	130,371
Total Adult Basic Education			167,572	150,305
Title I	043943-C1S1-2008	84.010	127,182	370,971
Title I	043943-C1S1-2007	84.010	2,591,372	2,275,956
Title I	n/a	84.010	240,000	228,186
Total Title I			2,958,554	2,875,113
Title V 2007	043943-C2S1-2007	84.298	16,116	11,462
Title V 2008	043943-C2S1-2008	84.298	(704)	3,039
Total Title V			15,412	14,501
Comprehensive School Reform 2008	043943-RFCC-2008	84.332	21,832	21,832
Comprehensive School Reform 2007	043943-RFCC-2007	84.332	55,707	88,664
Total Comprehensive School Reform			77,539	110,496

ELYRIA CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures - (Continued)
For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Pass Through Entity Number</u>	<u>CFDA Number</u>	<u>Receipts Recognized</u>	<u>Program Expenditures</u>
<u>U.S Department of Education - (continued)</u>				
Drug Free Schools 2008	043943-DRS1-2008	84.186	\$ 5,023	\$ 7,546
Drug Free Schools 2007	043943-DRS1-2007	84.186	36,222	30,428
Total Drug Free Schools			41,245	37,974
Title II-A 2008	043943-TRS1-2008	84.367	426,651	350,261
Title II-A 2007	043943-TRS1-2007	84.367	30,704	75,707
Total Title II-A			457,355	425,968
Title III LEP	N/A	84.365	5,153	5,031
Title II-D 2008	043943-TJS1-2008	84.318	(180)	2,582
Title II-D 2007	043943-TJS1-2007	84.318	21,374	17,250
Total Title II-D			21,194	19,832
Total U.S. Department of Education			\$ 6,536,735	\$ 6,415,034
<u>U.S. Department of National and Community Service</u>				
Passed Through Ohio Department of National & Community Service				
Learn and Serve America	043943-SVS1-2006	94.004	\$ 3,703	\$ 943
Safety in Ohio Through Service	N/A	94.004	0	(12)
Total Learn and Serve America			3,703	931
Ohio Schools Conflict Management	04943-SVHS-2005	94.004A	500	0
Total Ohio Schools Conflict Management			500	0
Total U.S. Department of National and Community Service			\$ 4,203	\$ 931
Total Federal Expenditures			\$ 8,617,327	\$ 8,492,397

See accompanying Notes to the Schedule of Federal Awards Expenditures

ELYRIA CITY SCHOOL DISTRICT
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2008

1. Significant Accounting Policies

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

2. Food Distribution

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2008, the District had immaterial food commodities in inventory recorded in the Food Service Fund.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

**Elyria City School District
Lorain County
42101 Griswold Road
Elyria, Ohio 44035**

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elyria City School District, Lorain County Ohio (District) as of and for the year ended June 30, 2008, and have issued our report thereon dated January 29, 2009, wherein we noted the District changed its method of accounting for compensated absences. 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 Controls Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 District'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 District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described in the accompanying Schedule of Findings, item 2008-ESLC-01 to be a significant deficiency in internal control over financial reporting.

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 District'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. However, we believe the significant deficiency described above to be a material weakness.

Compliance and Other Matters

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

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

We noted certain matters that we have reported to management of the District in a separate letter dated January 29, 2009.

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

***Charles E. Harris & Associates, Inc*
January 29, 2009**

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

Elyria City School District
Lorain County
42101 Griswold Road
Elyria, Ohio 44035

To the Board of Education:

Compliance

We have audited the compliance of the Elyria City School District, Lorain County (District), with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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, as defined above.

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

Charles E. Harris & Associates, Inc.
January 29, 2009

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

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY
June 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY
JUNE 30, 2008

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

FINDING NUMBER 2008-ESLC-01 Material Weakness

A fixed assets management system ensures that policies and procedures are in place to safeguard assets and maintains the integrity of financial statement information. These procedures should include: authorizing and recording disposals and transfers of assets; recording purchases as additions at the time items are received; tagging assets to ensure that each asset is in the appropriate location and described accurately in the District's inventory list. The serial numbers, along with item description and location, will be added to an equipment register which will be updated annually.

Our testing of the District's fixed assets revealed instances where disposals were not deleted from the District's records. One reason is that the District's capital asset appraisal company did not update the inventory listing timely. To assure the District is maintaining adequate safeguards over their capital assets, and to reduce the risk that the District's capital assets will be misstated, the District should establish an updated listing of all capital assets owned and develop and implement appropriate procedures to maintain the capital asset listing throughout the year. These procedures should include tagging all assets meeting the District's capitalization criteria when received, recording the capital asset tag number in the capital asset equipment register, and development of equipment addition and disposal forms to be completed by management when assets are acquired or disposed. Additionally, the equipment addition and disposal form should record such information as the equipment tag number, description, cost, acquisition date, and a reference identifier for supporting documentation such as an invoice. Also, the District should ensure that the appraisal company update the inventory listing timely and provide copies of the ledgers to them promptly.

We recommend that the District coordinate its effort to maintain a complete and accurate inventory of fixed assets throughout the District through the implementation of policies and procedures which address: 1) authorizing asset disposals; 2) reporting to the Treasurer (for updating District-wide records); 3) obtaining updated capital asset listings from the appraisal company.

District's Response: We hired a valuation company to maintain our capital assets. The valuation company did not remove the disposed capital assets from the capital asset listing and did not update the capital asset summary.

Also, the District has been proactive in implementing inventory counts for various buildings in fiscal year 2009. Finally, the District has also implemented further procedures in internal controls to better track asset disposals and additions.

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

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY
JUNE 30, 2008

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY**

**STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS
JUNE 30, 2008**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected. Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2007-Elyria-01	Contrary to Ohio Rev. Code Section 5705.41(B), the City had expenditures plus encumbrances over appropriations in numerous funds.	Yes	No Longer Valid

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, 2008

Elyria City School District
Elyria, Ohio

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

Prepared By:
Fred Stephens, Treasurer and
Treasurer's Office Staff

Elyria City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008

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Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
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Elyria City School District
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Fiscal Year Ended June 30, 2008

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Elyria City School District
Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

January 29, 2009

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

As the Superintendent and Treasurer of the Elyria City School District (the “School District”), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the School District. This CAFR includes an unqualified opinion from an Independent Certified Public Accountant and conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. This CAFR conforms to standards of financial reporting established by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School 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 School District. All disclosures necessary to enable the reader to gain an understanding of the School District’s financial activities have been included.

The School 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 School 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 SCHOOL DISTRICT

The Reporting Entity

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

A complete discussion of the School 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 School District and, together with the School 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 School 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 School 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 School District and Its Facilities

The Elyria City School District is located in the City of Elyria in Lorain County, Ohio. In fiscal year 2007-2008, there were students 7,453 enrolled in the School District compared to 7,585 students enrolled in the previous year. The School District currently operates eleven (11) elementary schools that total 487,315 of building square footage the oldest was constructed in 1907 and the youngest in 1969, three (3) junior high schools with a total of 244,122 building square footage the oldest was constructed in 1961 and the youngest in 1970, one high school covering 247,207 square feet was constructed in 1894, one alternative learning center constructed in 2001 and one special education pre-school constructed in 1996 with 15,745 and 28,785 square footage, respectively. The School District maintains one administrative facility that houses an all-day every day Kindergarten Village of 558 students constructed in 1999, all central functions for the School District including all maintenance functions and a central kitchen for its food service program. The School District serves as the primary education provider for high incidence special education programs, which provide special curricula and skills programs for students from all of Lorain County and surrounding school districts.

Employee Relations and Benefits

For the fiscal year 2008, the School District employed 958 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2008, the School District paid from its general and Poverty Based Assistance fund \$39,741,367 in salaries and \$12,330,989 in fringe benefits and other labor-related costs such as employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, life insurance and medical and dental insurance premiums.

For collective bargaining purposes, the NEA/OEA/Elyria Education Association (EEA) represents the School District's teachers and educational specialists. The OEA/NEA Elyria Schools Support Staff (ESSS) represents the School 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 School 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 School 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 School District employees participate in either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS). The School District made required contributions for pension obligations to these Systems on behalf of its employees in the amount of \$7,074,191 during the 2008 fiscal year.

ECONOMIC CONDITION AND OUTLOOK

Taxes

Property taxes are a major source of revenue for the School 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.

General business tangible personal property was assessed in previous years at 25% for machinery and equipment and 23% for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 6.25% for 2008 and zero for 2009.

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 School 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 School 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, 2008, the School District received \$30,980,136 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 2008. The rate of unemployment, at the end of the fiscal year 2008, for the Elyria City area was 7.80%.

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 School District contains the “Midway Mall” the largest retailing center in Lorain County and the largest retail mall between Cleveland and Toledo. The mall, anchored by four major department stores, two major discount stores and a cinema, continues to seek additional retailers to occupy space. In recent years, four new retailing centers moved in the area, The Home Depot, Dick’s Sporting Goods, Giant Eagle and Target. With the addition of these centers, the surrounding Midway Mall area is developing specialty shops and the food service industry continues to expand with new offerings.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Curriculum Initiatives

- The School District made a substantial financial commitment to update its course of study (K-12) including a new science textbook adoption for grades 7-12. A major initiative started in 2002 and continuing to present was to develop a software program called an Indicator Reporting Information System (IRIS) that allow teachers to check the progress of each student longitudinally across time, using indicators that are aligned with new State reporting standards.

Classroom Technology

- The School 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 School District's schools are PC based Smart boards are in use district wide and quickly expanding to meet the needs of all staff and students. Acquisitions of computers are made annually to supplement existing computers to provide students with the latest hardware and software technology and to replace outdated equipment.

District Academic Progress

- The Elyria City School District, one of the "Urban-21" districts in Ohio.
- The School District is striving for a rating of Excellent in 2008-2009.
- District-wide, Elyria boasts a 94.9% attendance rate, a rarity among urban school districts.
- The School District's student to teacher ratio is low: Kindergarten--20:1, Grade 1--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.
- The current Elyria High School building is in structural disrepair and is in the process of being replaced. The new High School is a result of a successful bond issue financing the 45 million dollar District share of the 70 million dollar project. The new building is being constructed at the same location. The building will be a state of the art structure including green technology such as geothermal heating.

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. The program was expanded this year to serve more students with a goal of having all students in the program by 2009.
- Elyria Schools offers an expansive preschool program.

- Elyria City Schools offers more than 180 Smartboards in classrooms throughout the School District. Smart boards are a kind-of “interactive chalkboard” which doubles as computer screens and whiteboards. The 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.
- Elyria teachers throughout the School District are trained in the principles of the Universal Design for Learning model, which lets teachers plan instruction in advance to prevent barriers to student learning using different formats, tools and technology such as Smartboards. Elyria School District has implemented Writing Across the Curriculum science strategies for teachers as part of the Ohio Science Institute program.
- Elyria High School students are learning the ins and outs of broadcasting and will eventually write, produce and anchor their own morning announcement broadcast on WEHS TV. The broadcast will feature event announcements and video journalism pieces to tell the story of the high school to the community.
- The students work out of a newly built T.V. studio, nicknamed “The Shew,” that incorporates state-of-the-art lighting and camera equipment.
- Also new at Elyria High School: college-style English offerings for seniors. Seniors can choose two of 10 senior English courses, including minority voices, myths and legends, modern drama and novels, short fiction, British Literature, professional communication, speech, philosophy and criticism: the art of persuasion, nonfiction: real life, real issues, and journalism. The School District graduated its first early college class from Lorain County Community College. The 35 students graduated with high school diplomas and associate degrees.

Special Education

- Elyria’s special education department offers a wide continuum of services—13 disability areas and many related services. Elyria serves approximately 1,300 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 School 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 School 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 School 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.

- Designing a program to use credit and purchasing cards in place of cash.
- 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 School District's updated web page as a community resource for Board of Education and Financial Service information on the School District.

For the Future

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

The School 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 School District information on students, budget and staff. The School District is implementing Smart Board technology into the classroom and has trained and placed equipment on line for the new school year.

The School District passed a bond issue to build a new Elyria High School qualifying for the OSFC Exceptional Needs Program giving the School District one third on the costs of the bond issue.

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 School 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 School 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.

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

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

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

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The School 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 School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School 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 School District has prepared financial statements following GASB 34 Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates basic financial statements for reporting on the School District's financial activities as follows:

Government-wide Financial Statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide financial statements distinguish between those activities of the School 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 reporting model, management is responsible for preparing a discussion and analysis for the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2008. Because that discussion focuses on major funds other non-major funds are discussed briefly in this letter.

Financial Highlights – Internal Service Fund The only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses is related to the provision of dental and medical benefits to the School District employees. The School District has implemented a medical self-insurance program. The internal service fund had net assets of (\$318,628) at June 30, 2008 compared with net assets of \$266,972 at June 30, 2007, reflecting decrease of \$585,600.

Financial Highlights – Fiduciary Funds The trust fund carried on the financial records of the School District is a private purpose trust that has net assets totaling \$302,425 at June 30, 2008.

Cash Management

The School 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 2008 for the general fund was \$1,486,460. A more detailed description of the School District's investment functions is described in Note 3 to the financial statements.

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. During fiscal year 2008, the School 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 School 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 employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employers contributions to both systems are based on a percentage of employee's salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 11 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 School District, with the particular emphasis placed on the utilization of resources during fiscal year 2008. Further, this report will serve as a guide to formulating policies and conducting the School 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 School 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 School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Either the Ohio State Auditor's office or an Independent Public Accountant (IPA) contracted by the State and the School District may conduct the annual audit. The School 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, 2008, Charles E. Harris & Associates, Inc. completed the audit. The auditor's unqualified audit opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial 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, 2007. 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 School 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
Principal Officials Roster

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

	<i>Began Service as a Board Member</i>	<i>Present Term Expires</i>
<i>Donald Boddy, President</i>	July 28, 1998	December 31, 2011
<i>Evelyn France, Vice President</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 School 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 School 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 School 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.

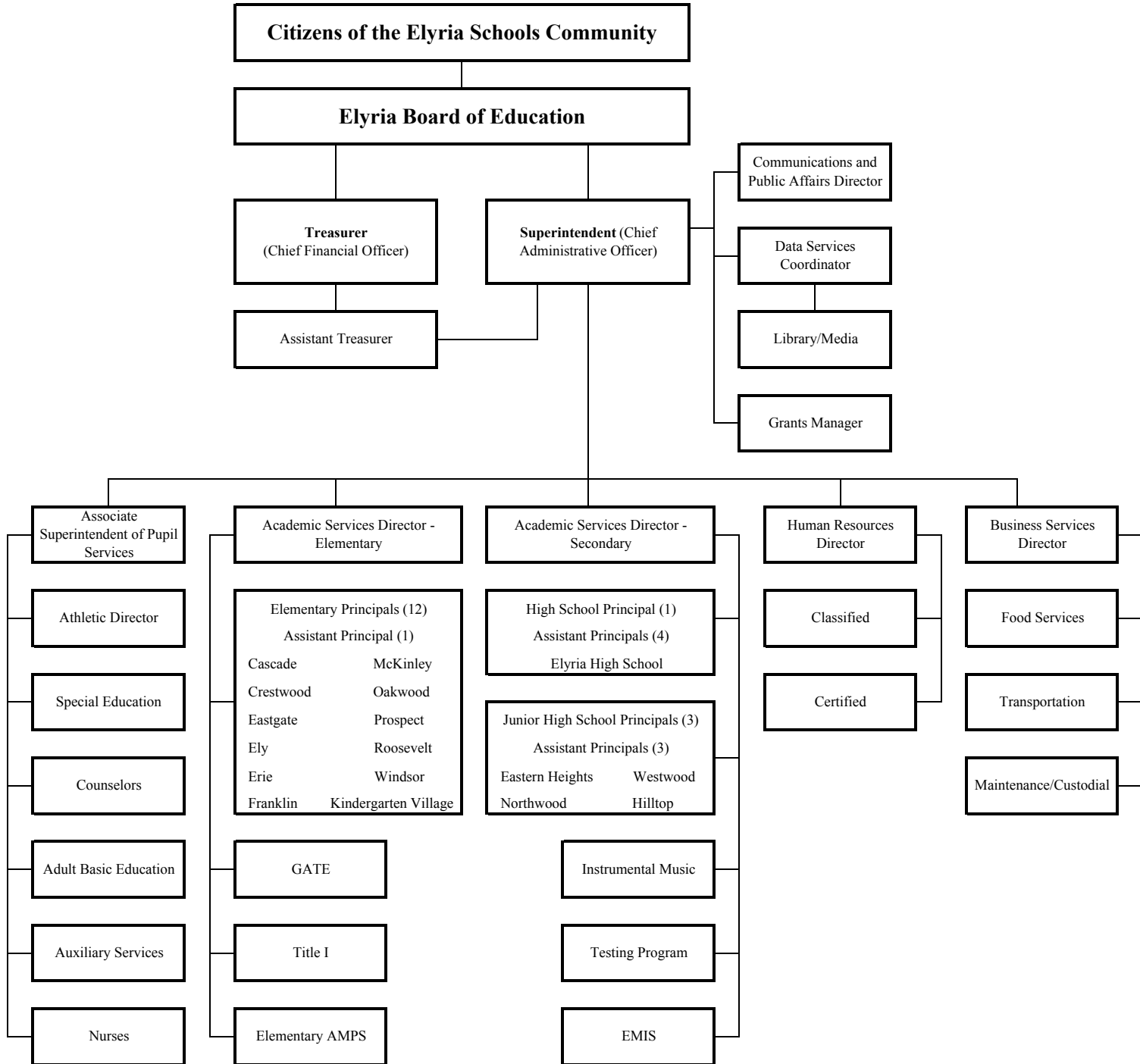
Elyria City School District, Ohio
Management Team

Mr. Paul M. Rigda	Superintendent of Schools/CEO
Fred V. Stephens	Treasurer, Chief Financial Officer
Gordon Dupree	Associate Supt., Pupil Services
Gary Taylor	Director of Human Resources
Amy Kren	Coordinator of Communications and Public Affairs
Dr. Mark Sutter	Director of Academic Services, Secondary
Dr. Michele Stoffan	Director of Academic Services, Elementary
Joanne Burgess	G.A.T.E. Coordinator, Gifted Program
Brian Kokai	Director of Technology
Dawn McCready	Director of Special Education
Katie Henes	Assistant Treasurer
Richard Nielson	Director of Business Services
Jerry Chizmar	Athletic Director
Willard Jett	Director of Food Services, Sodexo
Cheri Lengyel	Supervisor for Transportation, First Student
Dianne Quinn	Elyria High School Principal
Kimberly Benetto	Eastern Heights Junior High School Principal
Thomas Jama	Northwood Junior High School Principal
Darren Conley	Westwood Junior High School Principal
Aretha Dixon	Cascade Elementary Principal

Elyria City School District, Ohio
Management Team (Continued)

Sherrri Parent	Crestwood Elementary Principal
Charles Sanfilippo	Eastgate Elementary Principal
Jack Dibee	Ely Elementary Principal
Timothy Brown	Erie Elementary Principal
Chip Hall	McKinley Elementary Principal
Kimberly Riposo-Conley	Franklin Elementary Principal
Ann Schloss	Oakwood Elementary Principal
Michael Amann	Prospect Elementary Principal
Elaine Carlin	Roosevelt Elementary Principal
Richard Ackerman	Windsor Elementary Principal
Robyn Fisher	Spring Valley (Early Childhood Center)
Rita Tomsic	Kindergarten Village Principal
Allen Senkovich	Hilltop Academy (Alternative School)

ORGANIZATIONAL CHART FOR THE ELYRIA CITY SCHOOLS



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, 2007

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



A handwritten signature in black ink, appearing to read "K. L. R.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

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FINANCIAL SECTION

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

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

REPORT OF INDEPENDENT ACCOUNTANTS

**Elyria City School District
Lorain County
42101 Griswold Road
Elyria, Ohio 44035**

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Elyria City School District, Lorain County, Ohio, (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

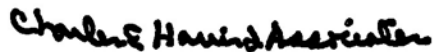
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Elyria City School District, Ohio, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 17, the District changed its method of accounting for compensated absences.

The Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by 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 supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 29, 2009 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements, budgetary schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express not opinion on them.

A handwritten signature in black ink that reads "Charles E. Harris". The signature is written in a cursive style.

Charles E. Harris & Associates, Inc.
January 29, 2009

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

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, 2008. 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 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 2008 are as follows:

- Net assets of governmental activities increased \$1,413,238, which represented a 21.7 percent increase from 2007. Net assets of business-type activities increased by \$2,309 from 2007. Overall, the School District's net assets ended at \$8.2 million.
- For governmental activities, general revenues accounted for \$68,914,597 in revenue or 81.9 percent of all revenues. Program specific revenues in the form of charges for service, grants, and contributions accounted for \$15,176,239 or 18.1 percent of total revenues of \$84,090,836.
- The School District had \$82,677,598 in expenses related to governmental activities; \$15,176,239 of these expenses were offset by program specific revenues (charges for services, grants, or contributions). General revenues (primarily state foundation and taxes) of \$68,914,597 were adequate to provide for these programs.
- The School District had \$3,119,058 in expenses related to business-type activities. Of these expenses \$3,120,116 were offset by program specific revenues (charges for services, grants, or contributions). These program revenues were adequate to provide for these activities.
- The general fund, the main operating fund, had \$65,529,147 in revenues and \$63,521,057 in expenditures. The general fund's balance decreased \$156,912 to \$2,607,548.
- The School District issued \$44,999,971 in bonds which include serial, term and capital appreciation bonds. The bonds were used for the acquisition, construction, enlargement, renovation and financing of general improvements see Note 9 for more information on the School District's debt.

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.

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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 capital building 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 17-19 of this report.

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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.

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 20-29 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.

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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.

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 30-54 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 \$8.2 million at the close of the most recent fiscal year. The table below provides a summary of the School District's net assets for 2008 and 2007:

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Assets:						
Current and other assets	\$86,219,829	\$50,732,552	\$ 365,972	\$ 311,745	\$86,585,801	\$51,044,297
Capital assets	<u>15,155,109</u>	<u>8,570,320</u>	<u>97,550</u>	<u>124,179</u>	<u>15,252,659</u>	<u>8,694,499</u>
Total assets	<u>101,374,938</u>	<u>59,302,872</u>	<u>463,522</u>	<u>435,924</u>	<u>101,838,460</u>	<u>59,738,796</u>
Liabilities:						
Current liabilities	38,274,422	37,749,771	179,029	153,740	38,453,451	37,903,511
Long-term liabilities	<u>55,173,087</u>	<u>15,038,910</u>	<u>-</u>	<u>-</u>	<u>55,173,087</u>	<u>15,038,910</u>
Total Liabilities	<u>93,447,509</u>	<u>52,788,681</u>	<u>179,029</u>	<u>153,740</u>	<u>93,626,538</u>	<u>52,942,421</u>
Net Assets:						
Invested in capital assets, net of related debt	(2,247,500)	3,359,347	97,550	124,179	(2,149,950)	3,483,526
Restricted	10,502,973	7,982,671	-	-	10,502,973	7,982,671
Unrestricted	<u>(328,044)</u>	<u>(4,827,827)</u>	<u>186,943</u>	<u>158,005</u>	<u>(141,101)</u>	<u>(4,669,822)</u>
Total net assets	<u>\$ 7,927,429</u>	<u>\$ 6,514,191</u>	<u>\$ 284,493</u>	<u>\$ 282,184</u>	<u>\$ 8,211,922</u>	<u>\$ 6,796,375</u>

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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, \$10,502,973, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$506,834 is restricted for debt service payments, \$7,616,796 is restricted for capital projects, approximately \$1,095,956 is restricted for other purposes, \$837,269 is restricted for state funded programs, \$194,681 is restricted for federally funded programs and \$251,437 is restricted for student activities. The remaining deficit balance of net assets of \$328,044 for governmental activities and positive balance of \$186,943 for business-type activities is unrestricted.

Governmental Activities

Governmental activities increased the School District's net assets by \$1,413,238, thereby accounting for 99.8 percent of the total increase in net assets of the School District. Key elements of this increase are as follows:

- Interest earnings increased \$1.6 million due to the interest related to the proceeds of bonds issued.
- 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 \$31.2 million in 2008. General revenues from grants and entitlements, such as the school foundation program, generated over \$34.6 million. Due to the combination of taxes and intergovernmental funding representing nearly 78.3% of all revenues, the School District monitors both of these sources very closely for fluctuations.

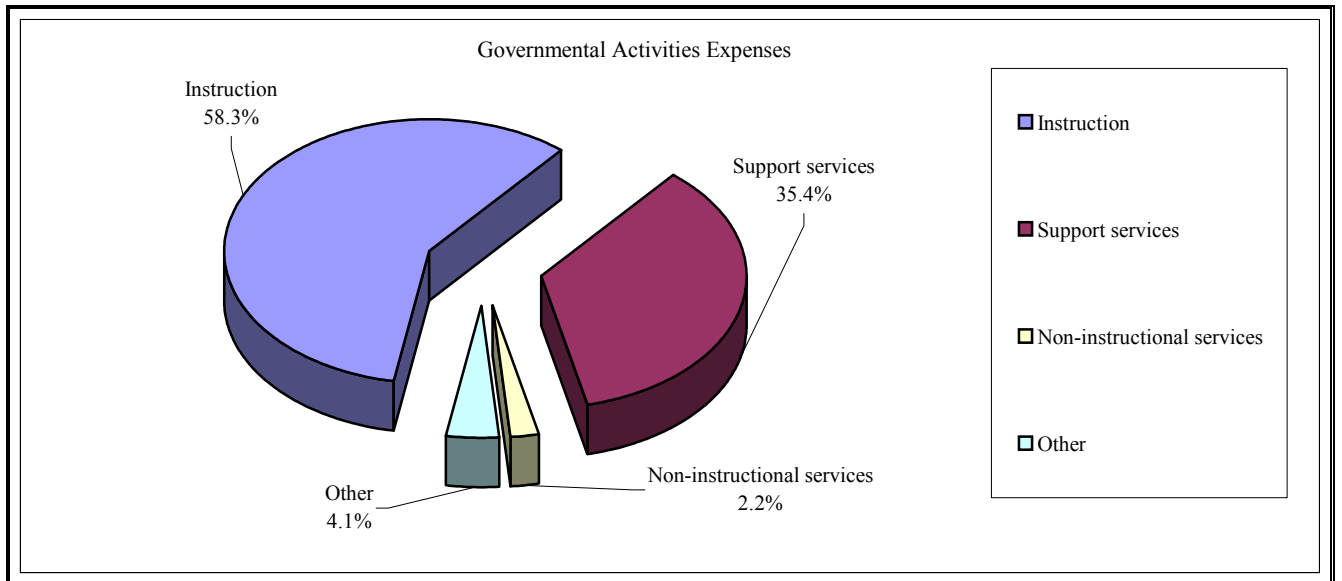
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Changes in Net Assets

	Governmental		Business-Type		Totals	
	Activities		Activities			
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenue:						
Program revenues:						
Charges for services and sales	\$ 2,432,700	\$ 2,208,335	\$ 830,195	\$ 859,248	\$ 3,262,895	\$ 3,067,583
Operating grants - and contributions	12,722,702	12,354,001	2,289,921	2,364,057	15,012,623	14,718,058
Capital grants - and contributions	20,837	129,514	-	-	20,837	129,514
General revenues:						
Property taxes	31,214,265	31,469,428	-	-	31,214,265	31,469,428
Grants and entitlements	34,636,204	32,601,312	-	-	34,636,204	32,601,312
Investment earnings	2,392,798	835,465	1,251	2,333	2,394,049	837,798
Miscellaneous	671,330	112,603	-	-	671,330	112,603
Total revenues	<u>84,090,836</u>	<u>79,710,658</u>	<u>3,121,367</u>	<u>3,225,638</u>	<u>87,212,203</u>	<u>82,936,296</u>
Expenses:						
Instructions:						
Regular	30,482,253	33,699,210	-	-	30,482,253	33,699,210
Special	10,462,755	9,944,646	-	-	10,462,755	9,944,646
Vocational	351,120	363,315	-	-	351,120	363,315
Adult	63,376	77,581	-	-	63,376	77,581
Other	6,863,632	6,138,664	-	-	6,863,632	6,138,664
Support services:						
Pupils	4,679,970	4,778,759	-	-	4,679,970	4,778,759
Instructional staff	4,998,312	4,801,888	-	-	4,998,312	4,801,888
Board of education	51,691	129,282	-	-	51,691	129,282
Administration	5,288,168	5,396,405	-	-	5,288,168	5,396,405
Fiscal	1,705,286	1,851,967	-	-	1,705,286	1,851,967
Business	780,622	680,525	-	-	780,622	680,525
Operation and maintenance - of plant	7,252,517	7,235,350	-	-	7,252,517	7,235,350
Pupil transportation	3,236,629	3,062,472	-	-	3,236,629	3,062,472
Central	1,283,666	1,353,315	-	-	1,283,666	1,353,315
Operation of non- instructional services	1,795,136	1,721,445	-	-	1,795,136	1,721,445
Extracurricular activities	1,223,070	1,347,414	-	-	1,223,070	1,347,414
Interest and fiscal charges	2,159,395	263,789	-	-	2,159,395	263,789
Lunchroom/cafeteria	-	-	3,119,058	3,015,498	3,119,058	3,015,498
Total expenses	<u>82,677,598</u>	<u>82,846,027</u>	<u>3,119,058</u>	<u>3,015,498</u>	<u>85,796,656</u>	<u>85,861,525</u>
Changes in net assets	1,413,238	(3,135,369)	2,309	210,140	1,415,547	(2,925,229)
Beginning net assets, as restated	6,514,191	9,649,560	282,184	72,044	6,796,375	9,721,604
Ending net assets	<u>\$ 7,927,429</u>	<u>\$ 6,514,191</u>	<u>\$ 284,493</u>	<u>\$ 282,184</u>	<u>\$ 8,211,922</u>	<u>\$ 6,796,375</u>

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- Expenses decreased during the current fiscal year, approximately \$168,429. 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 \$48,223,136 or 58.3 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 \$2,000,280, or 4.0 percent.
- Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$9,678,282 of the total governmental program expenses, or 11.7 percent. These expenses increased over the prior year in the amount of \$97,635, or 1.0 percent.



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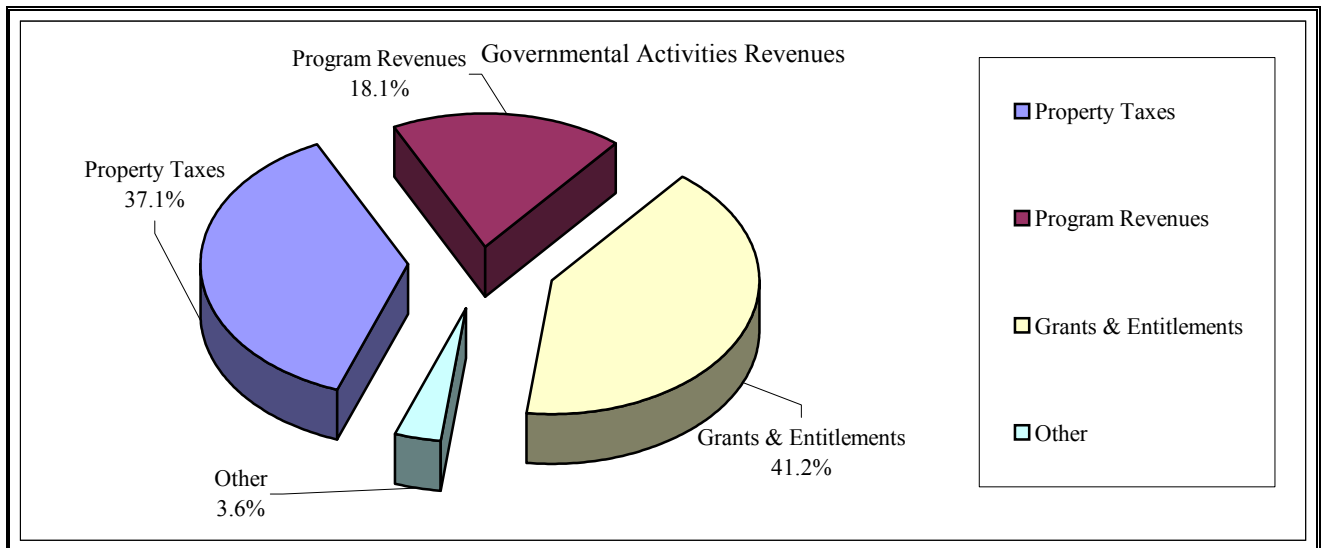
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below shows, for governmental and business-type activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services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

Program Expenses

	<u>2008</u>		<u>2007</u>		<u>Net Change</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Governmental Activities:						
Instructions:						
Regular	\$ 30,482,253	\$ (26,955,085)	\$ 33,699,210	\$ (29,842,439)	\$ 3,216,957	\$ (2,887,354)
Special	10,462,755	(7,439,128)	9,944,646	(6,905,576)	(518,109)	533,552
Vocational	351,120	(351,120)	363,315	(226,858)	12,195	124,262
Adult	63,376	20,082	77,581	3,581	14,205	(16,501)
Other	6,863,632	(6,243,388)	6,138,664	(5,504,934)	(724,968)	738,454
Support Services						
Pupils	4,679,970	(3,031,575)	4,778,759	(4,089,764)	98,789	(1,058,189)
Instructional staff	4,998,312	(2,560,433)	4,801,888	(2,439,769)	(196,424)	120,664
Board of education	51,691	(51,691)	129,282	(129,282)	77,591	(77,591)
Administration	5,288,168	(4,562,023)	5,396,405	(4,582,525)	108,237	(20,502)
Fiscal	1,705,286	(1,678,935)	1,851,967	(1,851,967)	146,681	(173,032)
Business	780,622	(780,622)	680,525	(657,936)	(100,097)	122,686
Operation and -						
Maintenance of plant	7,252,517	(6,737,828)	7,235,350	(6,664,017)	(17,167)	73,811
Pupil transportation	3,236,629	(2,527,095)	3,062,472	(2,518,419)	(174,157)	8,676
Central	1,283,666	(1,165,797)	1,353,315	(1,169,403)	69,649	(3,606)
Operation of non-						
instructional services	1,795,136	(521,506)	1,721,445	(487,011)	(73,691)	34,495
Extracurricular activities	1,223,070	(755,820)	1,347,414	(824,069)	124,344	(68,249)
Interest and fiscal charges	<u>2,159,395</u>	<u>(2,159,395)</u>	<u>263,789</u>	<u>(263,789)</u>	<u>(1,895,606)</u>	<u>1,895,606</u>
Total governmental - activities	<u>82,677,598</u>	<u>(67,501,359)</u>	<u>82,846,027</u>	<u>(68,154,177)</u>	<u>168,429</u>	<u>(652,818)</u>
Business-Type Activities:						
Lunchroom/cafeteria	<u>3,119,058</u>	<u>1,058</u>	<u>3,015,498</u>	<u>207,807</u>	<u>(103,560)</u>	<u>206,749</u>
Total expenses	<u>\$ 85,796,656</u>	<u>\$(67,500,301)</u>	<u>\$ 85,861,525</u>	<u>\$(67,946,370)</u>	<u>\$ 64,869</u>	<u>\$(446,069)</u>

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The dependence upon tax revenues for governmental activities is apparent. The net cost of the programs of (\$67,501,359) was supported by mostly by property taxes. Program revenues totaled \$15,176,239 accounting for 18.1 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.

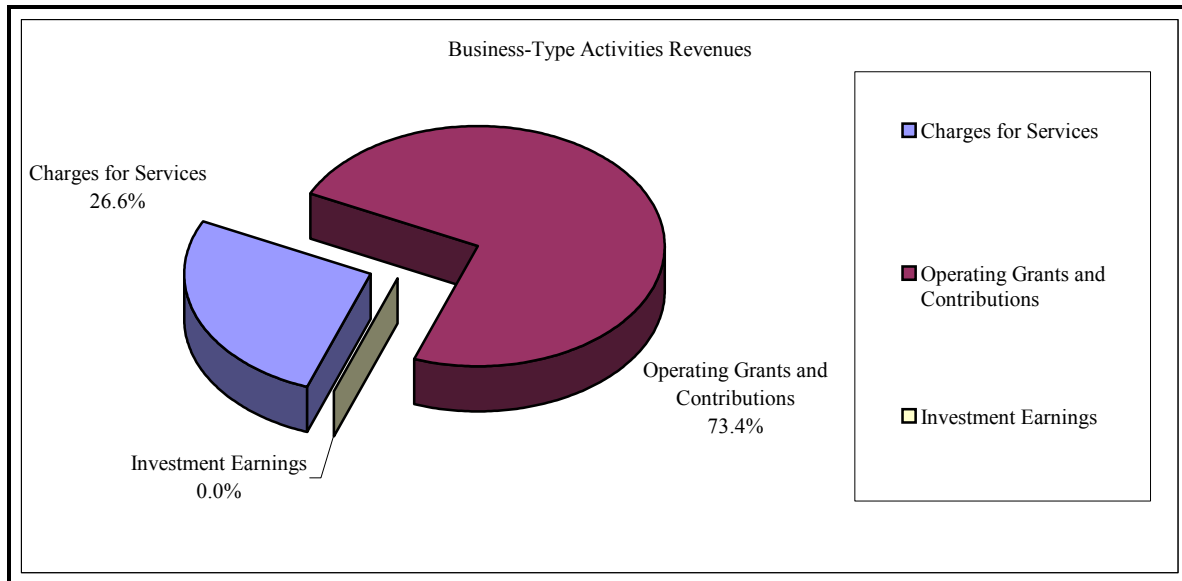
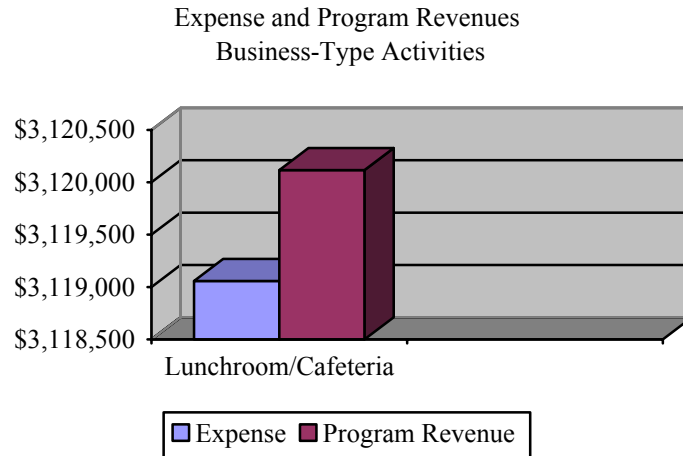
Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must return to voters to maintain a constant level of service. Property taxes made up 37.1 percent of revenue for governmental activities for Elyria City School District in fiscal year 2008, a 0.81 percent decrease from the prior year.

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Business-Type Activity

Business-type activity increased the School District's net assets by \$2,309. 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 2008 decreased by \$29,053 and sales and operating grants and contributions decreased \$74,136.
- Expenses increased by \$103,560. Most of the increase could be accounted from purchased services.



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Financial Analysis of the Governmental Funds

Governmental Funds Information about the School District's governmental funds starts on page 20. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$83,721,014 and expenditures of \$93,405,204. The total governmental fund balance increased \$35,247,504. The net change in governmental fund balance for the year was most significant in the capital facilities fund, where the capital facilities fund's fund balance increased by \$32,905,318 for fiscal year 2008. This was due to the issuance of \$44,999,971 in general obligation bonds.

Fund Balances

	Fund Balance <u>June 30, 2008</u>	Fund Balance <u>June 30, 2007</u>	Increase/ (Decrease)	Percent <u>Change</u>
General	\$ 2,607,548	\$ 2,764,460	\$ (156,912)	(5.68)
Classroom facilities	32,905,318	-	32,905,318	-
Other governmental	<u>10,478,519</u>	<u>7,979,421</u>	<u>2,499,098</u>	31.32
Total	<u>\$ 45,991,385</u>	<u>\$ 10,743,881</u>	<u>\$ 35,247,504</u>	

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 negative \$2,235,471, while total fund balance decreased to \$2,607,548. 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. Unreserved fund balance represents 7.1 percent of total general fund expenditures, while total fund balance also represents 7.6 percent of that same amount.

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Change in Financial Activities for the General Fund

	2008	2007	Increase/ (Decrease)	Percent Change
	<u>Amount</u>	<u>Amount</u>		
<u>Revenues</u>				
Taxes	\$ 28,998,446	\$ 31,183,300	\$ (2,184,854)	(7.01)
Intergovernmental	32,917,640	32,682,432	235,208	0.72
Interest	1,486,460	723,588	762,872	105.43
Tuition and fees	1,664,977	1,423,932	241,045	16.93
Extracurricular activities	5,193	13,055	(7,862)	(60.22)
Gifts and donations	-	93,145	(93,145)	(100.00)
Rent	74,311	77,579	(3,268)	(4.21)
Miscellaneous	<u>382,120</u>	<u>112,602</u>	<u>269,518</u>	239.35
Total	<u>\$ 65,529,147</u>	<u>\$ 66,309,633</u>	<u>\$ (780,486)</u>	
 <u>Expenditures:</u>				
Instruction	\$ 39,575,522	\$ 40,323,896	\$ (748,374)	(1.86)
Support services	21,702,446	21,764,827	(62,381)	(0.29)
Non-instructional services	589,670	462,873	126,797	27.39
Extracurricular activities	768,453	895,571	(127,118)	(14.19)
Capital outlay	57,195	105,975	(48,780)	(46.03)
Debt service	<u>827,771</u>	<u>844,085</u>	<u>(16,314)</u>	(1.93)
Total	<u>\$ 63,521,057</u>	<u>\$ 64,397,227</u>	<u>\$ (876,170)</u>	

Key factors in this decrease of fund balance for the general fund are as follows:

- Revenues decreased \$780,486. Although there was a decrease in property tax the School District received unanticipated revenue, however, this was not enough to offset this deficiency. The decrease in the tax revenue is due to the phase-out of the collection of tangible property taxes.

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 25.

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

General Fund Budgeting Highlights

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

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During the course of fiscal year 2008 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 \$69,808,848, which was slightly lower than the original budget of \$69,828,161. There was no significant cause to this increase. The final amended budget appropriations of the general fund were \$67,348,545, which is \$270 more than original budget appropriations of \$67,348,275.

Actual revenue for the general fund was \$66,095,408 a decrease of \$3,713,440 from the final budget estimate. This decrease was mainly attributed to a decrease in property taxes as well as 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, 2008, amount to \$15.2 million (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment, furniture, vehicles and textbooks. The total increase in the School District's investment in capital assets for the current fiscal year was 75.4 percent. While governmental activities increased by 76.8 percent, the business-type activities decreased by 21.4 percent.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land and improvements	\$ 6,133,086	\$ 1,265,544	\$ -	\$ -	\$ 6,133,086	\$ 1,265,544
Buildings and improvements	5,858,571	6,392,751	-	-	5,858,571	6,392,751
Furniture, fixtures - and equipment	727,724	870,343	97,550	124,179	825,274	994,522
Vehicles	34,343	41,682	-	-	34,343	41,682
Library and textbooks	-	-	-	-	-	-
Construction in progress	<u>2,401,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,401,385</u>	<u>-</u>
Total capital assets, net	<u>\$ 15,155,109</u>	<u>\$ 8,570,320</u>	<u>\$ 97,550</u>	<u>\$124,179</u>	<u>\$ 15,252,659</u>	<u>\$ 8,694,499</u>

Elyria City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Additional information on the School District's capital assets can be found in note 7 of the basic financial statements.

Debt Administration At June 30, 2008 the School District had general obligation bonds outstanding of \$45,702,825, with \$80,000 due within one year. Also, the School District has capital lease obligations of \$5,300,568, with \$609,594 due within one year. The School District has budgeted to meet all of its debt requirements.

At June 30, 2008, the School District's overall legal debt margin (the ability to issue additional amounts of general obligation debt) was \$43,908,770, with an unvoted debt margin of \$981,811.

Additional information on the School District's debt administration can be found in notes 8 and 9 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, 2008

	Governmental Activities	Business-Type Activities	Total
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 50,505,176	\$ 56,116	\$ 50,561,292
Receivables:			
Accounts	525,925	-	525,925
Intergovernmental	94,231	271,677	365,908
Taxes	33,929,309	-	33,929,309
Accrued interest	980,367	-	980,367
Prepaid items	3,648	-	3,648
Inventory held for resale	-	31,661	31,661
Materials and supplies inventory	-	6,518	6,518
Deferred charges	181,173	-	181,173
Capital assets:			
Land	5,735,808	-	5,735,808
Depreciable capital assets, net	9,419,301	97,550	9,516,851
Total assets	<u>101,374,938</u>	<u>463,522</u>	<u>101,838,460</u>
<u>Liabilities:</u>			
Accounts payable	531,390	1,487	532,877
Accrued wages	5,900,649	105,933	6,006,582
Intergovernmental payable	445,013	5,469	450,482
Pension obligation payable	1,797,866	66,140	1,864,006
Deferred revenue	27,913,713	-	27,913,713
Accrued interest payable	177,091	-	177,091
Claims payable	1,508,700	-	1,508,700
Long-term liabilities:			
Due within one year	1,247,635	-	1,247,635
Due in more than one year	53,925,452	-	53,925,452
Total liabilities	<u>93,447,509</u>	<u>179,029</u>	<u>93,626,538</u>
<u>Net assets:</u>			
Invested in capital assets, net of related debt	(2,247,500)	97,550	(2,149,950)
Restricted for:			
Capital projects	7,616,796	-	7,616,796
Debt service	506,834	-	506,834
Other purposes	1,095,956	-	1,095,956
State funded programs	837,269	-	837,269
Federally funded programs	194,681	-	194,681
Student activities	251,437	-	251,437
Unrestricted	<u>(328,044)</u>	<u>186,943</u>	<u>(141,101)</u>
Total net assets	<u>\$ 7,927,429</u>	<u>\$ 284,493</u>	<u>\$ 8,211,922</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$ 30,482,253	\$ 1,339,605	\$ 2,187,563	\$ -
Special	10,462,755	582,079	2,441,548	-
Vocational	351,120	-	-	-
Adult/continuing	63,376	-	83,458	-
Other	6,863,632	-	620,244	-
Support services:				
Pupils	4,679,970	-	1,648,395	-
Instructional staff	4,998,312	-	2,437,879	-
Board of education	51,691	-	-	-
Administration	5,288,168	-	726,145	-
Fiscal	1,705,286	-	26,351	-
Business	780,622	-	-	-
Operation and maintenance of plant	7,252,517	74,311	440,378	-
Pupil transportation	3,236,629	-	688,697	20,837
Central	1,283,666	28,685	89,184	-
Operation of non-instructional services	1,795,136	151	1,273,479	-
Extracurricular activities	1,223,070	407,869	59,381	-
Interest and fiscal charges	2,159,395	-	-	-
Total governmental activities	<u>\$ 82,677,598</u>	<u>\$ 2,432,700</u>	<u>\$ 12,722,702</u>	<u>\$ 20,837</u>
<u>Business-Type Activities:</u>				
Lunchroom/Cafeteria	3,119,058	830,195	2,289,921	-
Total Business-Type Activities	<u>3,119,058</u>	<u>830,195</u>	<u>2,289,921</u>	<u>-</u>
Totals	<u>\$ 85,796,656</u>	<u>\$ 3,262,895</u>	<u>\$ 15,012,623</u>	<u>\$ 20,837</u>

General Revenues:

Property taxes levied for:
 General purposes
 Debt service
Grants and entitlements not restricted to specific programs
Investment earnings
Miscellaneous
Total general revenues

Change in net assets

Net assets beginning of year, as restated
Net assets end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets	Net (Expense) Revenue and Changes in Net Assets	
Governmental Activities	Business-Type Activities	Total
\$ (26,955,085)	\$ -	\$ (26,955,085)
(7,439,128)	-	(7,439,128)
(351,120)	-	(351,120)
20,082	-	20,082
(6,243,388)	-	(6,243,388)
(3,031,575)	-	(3,031,575)
(2,560,433)	-	(2,560,433)
(51,691)	-	(51,691)
(4,562,023)	-	(4,562,023)
(1,678,935)	-	(1,678,935)
(780,622)	-	(780,622)
(6,737,828)	-	(6,737,828)
(2,527,095)	-	(2,527,095)
(1,165,797)	-	(1,165,797)
(521,506)	-	(521,506)
(755,820)	-	(755,820)
(2,159,395)	-	(2,159,395)
(67,501,359)	-	(67,501,359)
-	1,058	1,058
-	1,058	1,058
(67,501,359)	1,058	(67,500,301)
29,463,435	-	29,463,435
1,750,830	-	1,750,830
34,636,204	-	34,636,204
2,392,798	1,251	2,394,049
671,330	-	671,330
68,914,597	1,251	68,915,848
1,413,238	2,309	1,415,547
6,514,191	282,184	6,796,375
\$ 7,927,429	\$ 284,493	\$ 8,211,922

Elyria City School District

Balance Sheet

Governmental Funds

June 30, 2008

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 4,684,254	\$ 33,163,736	\$ 11,414,618	\$ 49,262,608
Receivables:				
Taxes	30,635,966	-	3,293,343	33,929,309
Accounts	525,925	-	-	525,925
Intergovernmental	12,044	-	82,187	94,231
Interfund	18,061	-	-	18,061
Accrued interest	980,367	-	-	980,367
Prepaid items	3,648	-	-	3,648
Equity in pooled cash and cash equivalents (restricted)	44,236	-	-	44,236
Total assets	<u>\$ 36,904,501</u>	<u>\$ 33,163,736</u>	<u>\$ 14,790,148</u>	<u>\$ 84,858,385</u>
<u>Liabilities:</u>				
Accounts payable	\$ 165,642	\$ 258,418	\$ 107,330	\$ 531,390
Accrued wages	5,038,142	-	859,980	5,898,122
Interfund payable	-	-	18,061	18,061
Intergovernmental payable	381,704	-	63,004	444,708
Pension obligation payable	1,481,515	-	310,923	1,792,438
Deferred revenue	27,229,950	-	2,952,331	30,182,281
Total liabilities	<u>34,296,953</u>	<u>258,418</u>	<u>4,311,629</u>	<u>38,867,000</u>
<u>Fund balances:</u>				
Reserved:				
Reserved for encumbrances	1,445,690	693,904	174,162	2,313,756
Reserved for property tax	3,353,093	-	374,212	3,727,305
Reserved for textbooks and instructional materials	44,236	-	-	44,236
Unreserved, undesignated, reported in:				
General fund	(2,235,471)	-	-	(2,235,471)
Special revenue funds	-	-	2,162,189	2,162,189
Debt service fund	-	-	227,063	227,063
Capital projects funds	-	32,211,414	7,540,893	39,752,307
Total fund balances	<u>2,607,548</u>	<u>32,905,318</u>	<u>10,478,519</u>	<u>45,991,385</u>
Total liabilities and fund balances	<u>\$ 36,904,501</u>	<u>\$ 33,163,736</u>	<u>\$ 14,790,148</u>	<u>\$ 84,858,385</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, 2008

Total governmental funds balances		\$ 45,991,385
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.		15,155,109
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	\$ 2,170,765	
Intergovernmental	91,963	
Miscellaneous	5,840	
Total	<u>2,268,568</u>	2,268,568
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.		(318,628)
Deferred charges are included in the governmental activities in the statement of net assets.		181,173
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.		(177,091)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds:		
Serial and term	\$ (44,250,000)	
Capital appreciation, including accretion	(853,952)	
Premium	(598,873)	
Compensated absences	(4,169,694)	
Capital leases	(5,300,568)	
Total	<u>(55,173,087)</u>	(55,173,087)
Net assets of governmental activities		<u>\$ 7,927,429</u>

See accompanying notes to the basic financial statements.

Elyria City School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2008

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes	\$ 28,998,446	\$ -	\$ 1,893,610	\$ 30,892,056
Intergovernmental	32,917,640	-	14,293,107	47,210,747
Interest	1,486,460	6,103	827,053	2,319,616
Tuition and fees	1,664,977	-	249,990	1,914,967
Extracurricular activities	5,193	-	355,219	360,412
Gifts and donations	-	-	200,399	200,399
Rent	74,311	-	-	74,311
Miscellaneous	382,120	-	366,386	748,506
Total revenues	<u>65,529,147</u>	<u>6,103</u>	<u>18,185,764</u>	<u>83,721,014</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	25,807,682	-	3,708,960	29,516,642
Special	7,259,807	-	3,006,963	10,266,770
Vocational	353,064	-	-	353,064
Adult/continuing	-	-	62,794	62,794
Other	6,154,969	-	654,325	6,809,294
Support services:				
Pupils	2,959,710	-	1,661,594	4,621,304
Instructional staff	2,048,838	-	2,789,100	4,837,938
Board of education	51,488	-	203	51,691
Administration	4,461,921	-	737,589	5,199,510
Fiscal	1,656,787	-	31,671	1,688,458
Business	778,417	-	-	778,417
Operation and maintenance of plant	6,198,067	-	522,352	6,720,419
Pupil transportation	2,520,503	-	716,126	3,236,629
Central	1,026,715	-	219,849	1,246,564
Operation of non-instructional services	589,670	-	1,144,361	1,734,031
Extracurricular activities	768,453	-	445,713	1,214,166
Capital outlay	57,195	939,187	6,395,795	7,392,177
Debt service:				
Principal retirement	582,990	-	5,000,000	5,582,990
Interest and fiscal charges	244,781	-	1,656,454	1,901,235
Bond issuance costs	-	-	191,111	191,111
Total expenditures	<u>63,521,057</u>	<u>939,187</u>	<u>28,944,960</u>	<u>93,405,204</u>
Excess of revenues over (under) expenditures	<u>2,008,090</u>	<u>(933,084)</u>	<u>(10,759,196)</u>	<u>(9,684,190)</u>
<u>Other financing sources (uses):</u>				
General obligation bonds issued	-	33,838,402	11,161,569	44,999,971
Premium on bonds issued	-	-	631,723	631,723
Transfers in	-	-	1,465,002	1,465,002
Transfers out	(2,165,002)	-	-	(2,165,002)
Total other financing sources (uses)	<u>(2,165,002)</u>	<u>33,838,402</u>	<u>13,258,294</u>	<u>44,931,694</u>
Net change in fund balances	(156,912)	32,905,318	2,499,098	35,247,504
Fund balances beginning of year	<u>2,764,460</u>	<u>-</u>	<u>7,979,421</u>	<u>10,743,881</u>
Fund balances end of year	<u>\$ 2,607,548</u>	<u>\$ 32,905,318</u>	<u>\$ 10,478,519</u>	<u>\$ 45,991,385</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, 2008**

Net change in fund balances - total governmental funds	\$ 35,247,504
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 capital assets is allocated over their estimated useful lives as depreciation expense.	
In the current period, these amounts are:	
Capital asset additions, net	\$ 7,392,177
Depreciation expense	(803,092)
Excess of depreciation expense over net capital asset additions	6,589,085
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.	(4,296)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:	
Property taxes	\$ 322,203
Intergovernmental	(31,403)
Miscellaneous	5,840
Net change in deferred revenues during the year	296,640
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	5,582,990
The issuance of long-term bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net assets as long-term assets and liabilities.	(44,999,971)
Some items 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. These activities consist of:	
Increase in compensated absences	\$ (14,342)
Increase in accrued interest	(177,091)
Current year issuance costs	191,111
Amortization of:	
Issuance cost	(9,938)
Premium	32,850
Bond accretion	(103,981)
Premium received for bonds	(631,723)
Total additional expenditures	(713,114)
The internal service fund used by management to charge the costs of medical, prescription drug, dental and vision claims to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated	(585,600)
Change in net assets of governmental activities	<u>\$ 1,413,238</u>

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 32,252,161	\$ 32,203,626	\$ 30,352,796	\$ (1,850,830)
Intergovernmental	33,824,268	33,824,268	32,905,596	(918,672)
Interest	683,475	683,475	649,978	(33,497)
Tuition and fees	1,815,297	1,815,297	1,726,330	(88,967)
Extracurricular activities	-	29,222	5,193	(24,029)
Rent	78,141	78,141	74,311	(3,830)
Miscellaneous	1,174,819	1,174,819	381,204	(793,615)
Total revenues	<u>69,828,161</u>	<u>69,808,848</u>	<u>66,095,408</u>	<u>(3,713,440)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	38,462,467	38,462,467	26,864,619	11,597,848
Special	388,198	388,198	7,296,683	(6,908,485)
Vocational	-	-	357,306	(357,306)
Other	5,876,271	5,876,271	6,168,494	(292,223)
Support services:				
Pupils	204,841	204,841	3,015,873	(2,811,032)
Instructional staff	88,372	88,372	2,025,586	(1,937,214)
Board of education	132,631	132,631	83,803	48,828
Administration	5,569,911	5,569,911	4,399,061	1,170,850
Fiscal	7,925,289	7,925,289	1,672,041	6,253,248
Business	732,351	732,351	793,399	(61,048)
Operation and maintenance of plant	3,401,369	3,401,369	7,097,452	(3,696,083)
Pupil transportation	2,888,452	2,888,452	2,657,719	230,733
Central	515,808	515,808	1,053,351	(537,543)
Operation of non-instructional services	103,155	103,425	529,085	(425,660)
Extracurricular activities	72,504	72,504	868,618	(796,114)
Capital outlay	430,015	430,015	416,175	13,840
Debt service:				
Principal retirement	326,820	326,820	326,820	-
Interest and fiscal charges	229,821	229,821	209,821	20,000
Total expenditures	<u>67,348,275</u>	<u>67,348,545</u>	<u>65,835,906</u>	<u>1,512,639</u>
Excess of revenues over (under) expenditures	<u>2,479,886</u>	<u>2,460,303</u>	<u>259,502</u>	<u>(2,200,801)</u>
<u>Other financing sources (uses):</u>				
Proceeds from the sale of capital assets	-	-	3,008	3,008
Refund of prior year expenditures	-	-	315,696	315,696
Advances in	169,240	198,506	190,212	(8,294)
Advances out	(200,000)	(200,000)	(54,730)	145,270
Transfers out	(1,282,366)	(1,782,366)	(2,165,002)	(382,636)
Total other financing sources (uses)	<u>(1,313,126)</u>	<u>(1,783,860)</u>	<u>(1,710,816)</u>	<u>73,044</u>
Net change in fund balance	1,166,760	676,443	(1,451,314)	(2,127,757)
Fund balances at beginning of year	3,914,879	3,914,879	3,914,879	-
Prior year encumbrances appropriated	710,625	710,625	710,625	-
Fund balances at end of year	<u>\$ 5,792,264</u>	<u>\$ 5,301,947</u>	<u>\$ 3,174,190</u>	<u>\$ (2,127,757)</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Fund Net Assets
Proprietary Funds
June 30, 2008

	Business-Type Activities - Enterprise Fund - <u>Lunchroom/Cafeteria</u>	Governmental Activities - Internal Service Fund - <u>Self Insurance</u>
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 56,116	\$ 1,198,332
Inventory held for resale	31,661	-
Material and supplies inventory	6,518	-
Intergovernmental receivable	271,677	-
Total current assets	<u>365,972</u>	<u>1,198,332</u>
Depreciable capital assets, net	97,550	-
Total assets	<u>463,522</u>	<u>1,198,332</u>
 <u>Liabilities:</u>		
Accounts payable	1,487	-
Accrued wages	105,933	2,527
Intergovernmental payable	5,469	305
Pension obligation payable	66,140	5,428
Claims payable	-	1,508,700
Total liabilities	<u>179,029</u>	<u>1,516,960</u>
 <u>Net assets:</u>		
Invested in capital assets	97,550	-
Unrestricted	186,943	(318,628)
Total net assets	<u>\$ 284,493</u>	<u>\$ (318,628)</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-Type Activities - Enterprise Fund - Lunchroom/Cafeteria	Governmental Activities - Internal Service Fund - Self Insurance
<u>Operating revenues:</u>		
Charges for services	\$ -	\$ 6,636,468
Sales	830,195	-
Total operating revenues	<u>830,195</u>	<u>6,636,468</u>
<u>Operating expenses:</u>		
Salaries	826,918	46,442
Fringe benefits	325,206	189,597
Purchased services	1,525,644	2,016,807
Materials and supply	410,068	-
Depreciation	31,222	-
Claims	-	5,742,404
Total operating expenses	<u>3,119,058</u>	<u>7,995,250</u>
Operating loss	<u>(2,288,863)</u>	<u>(1,358,782)</u>
<u>Non-operating revenues:</u>		
Federal donated commodities	279,651	-
Intergovernmental	2,010,270	-
Interest	1,251	73,182
Total non-operating revenues	<u>2,291,172</u>	<u>73,182</u>
Income (loss) before transfers	<u>2,309</u>	<u>(1,285,600)</u>
Transfers in	<u>-</u>	<u>700,000</u>
Change in net assets	2,309	(585,600)
Net assets beginning of year	<u>282,184</u>	<u>266,972</u>
Net assets end of year	<u>\$ 284,493</u>	<u>\$ (318,628)</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-Type Activities - Enterprise Fund - Lunchroom/Cafeteria	Governmental Activities - Internal Service Fund - Self Insurance
<u>Cash flows from operating activities:</u>		
Cash received from customers	\$ 830,195	\$ 6,636,468
Cash payments to suppliers for goods and services	(1,674,104)	(2,016,807)
Cash payments to employees for services	(811,363)	(46,208)
Cash payments for employee benefits	(319,456)	(189,061)
Cash payments for claims	-	(5,717,204)
Net cash used for operating activities	<u>(1,974,728)</u>	<u>(1,332,812)</u>
<u>Cash flows from noncapital financing activities:</u>		
Operating grants	2,032,006	-
Transfer in	-	700,000
Net cash provided by noncapital financing activities	<u>2,032,006</u>	<u>700,000</u>
<u>Cash flows from capital financing activities:</u>		
Acquisition of capital assets	<u>(4,593)</u>	<u>-</u>
<u>Cash flows from investing activities:</u>		
Interest on investments	<u>1,251</u>	<u>73,182</u>
Net increase (decrease) in cash and cash equivalents	53,936	(559,630)
Cash and cash equivalents at beginning of year	2,180	1,757,962
Cash and cash equivalents at end of year	<u>\$ 56,116</u>	<u>\$ 1,198,332</u>
<u>Reconciliation of operating loss to net cash used for operating activities:</u>		
Operating loss	\$ (2,288,863)	\$ (1,358,782)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	31,222	-
Federal donated commodities related to noncash grant	279,651	-
Change in assets and liabilities:		
(Increase) decrease in assets:		
Inventory held for resale	(18,965)	-
Material and supplies inventory	(3,062)	-
Increase (decrease) in liabilities:		
Accounts payable	(460)	-
Accrued wages	15,555	234
Intergovernmental payable	5,469	26
Pension obligation payable	4,725	510
Claims payable	-	25,200
Total adjustments	<u>314,135</u>	<u>25,970</u>
Net cash used for operating activities	<u>\$ (1,974,728)</u>	<u>\$ (1,332,812)</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Private Purpose Trust	
	Scholarship	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 302,425	\$ 182,271
<u>Liabilities:</u>		
Accounts payable	\$ -	\$ 9,598
Due to students	-	172,673
Total liabilities	-	\$ 182,271
<u>Net assets:</u>		
Held in trust for scholarships	\$ 302,425	

See accompanying notes to the basic financial statements.

Elyria City School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2008

	Private Purpose Trust
	<u>Scholarship</u>
<u>Additions:</u>	
Interest	\$ 1,388
Gifts and donations	17,533
Total additions	<u>18,921</u>
 <u>Deductions:</u>	
Payments in accordance with trust agreements	<u>17,310</u>
Change in net assets	1,611
Net assets beginning of year	<u>300,814</u>
Net assets end of year	<u>\$ 302,425</u>

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, 2008

Note 1 – Summary of Significant Accounting Policies

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

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

The School District is involved with Lake Erie Educational Computer Association (LEECA), which is defined as jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 13.

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. The more significant of the School District's accounting policies are described below.

A. Fund Accounting

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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

Capital Facilities Fund This fund accounts for monies to be used for the purpose of 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 Fund Types Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

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

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

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The School District's 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, 2008

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

B. Basis of Presentation

Government-wide Financial Statements The statement of net assets and statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. However, the services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the School District that are considered business type activities.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues which are not classified as program revenues are presented as general revenues which identify the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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

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

C. Basis of Accounting

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

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 4). 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.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

D. Budgetary Data

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

The legal level of budgetary control is at the fund level.

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

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

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amount reported as the final budgeted amount in the budgetary statement reflects the amounts in the final amended certificate issued during fiscal year 2008.

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary; the annual appropriation resolution is enacted by the Board of Education at the fund level. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission.

Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources.

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

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2008, the District invested in STAR Ohio, the State Treasurer's Investment Pool. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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, 2008.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund amounted to \$1,486,460, which includes \$1,153,662 assigned from other funds.

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

F. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, and laws of other governments or by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve or designated for budget stabilization, which is now optional as determined by the School District. See Note 15 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. For the current fiscal year, there were no prepaid items.

H. Inventory

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

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

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated 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:

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

J. Interfund Balances

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

K. Compensated Absences

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.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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.

L. Accrued Liabilities and Long-term Obligations

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

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

M. Interfund Activity

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

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

N. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Fund balance reserves have been established for encumbrances, property taxes and textbooks and instructional material. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The net assets held in trust for scholarships signify the legal restrictions on the use of principal.

O. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

P. Estimates

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

Q. Operating Revenues and Expenses

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

Note 2 – 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).

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for (GAAP basis).

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

<u>Net Change in Fund Balance</u>	
GAAP basis	\$ (156,912)
Net adjustment for revenue accruals	1,075,177
Net adjustment for expenditure accruals	(815,279)
Adjustment for encumbrances	<u>(1,554,300)</u>
Budget basis	<u>\$ (1,451,314)</u>

Note 3 – 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, 2008

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

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

A. Cash on Hand

At June 30, 2008, the School District had \$10,450 in cash on hand which is included as part of “equity in pooled cash and cash equivalents”.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

B. Deposit 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 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.

As of June 30, the carrying amount of the School District's deposits was \$48,237,674. The School District's bank balance of \$48,890,861 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department and not in the School District's name	\$ 48,290,861
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C. Investments

Investments are reported at fair value. As of June 30, 2008, the School District had the following investments and maturities:

	Fair Value
STAROhio	\$ 2,727,864
Repurchase agreement	70,000
Total fair value	\$ 2,797,864

Custodial credit risk for an investment is the risk that in the event of 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 \$70,000 investment in repurchase agreements is secured by an investment in Federal National Mortgage Association (FNMA) which is rated AAA by Standard & Poor's.

These securities, held by the counterparty and not in the School District's name, 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. 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.

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

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. The School District's investment policy requires certain credit ratings for some investments as allowed by state law. The School District's investments at June 30, 2008 in Federal National Mortgage Association (FNMA) is rated AAA by Standard & Poor's. Its investments in Star Ohio are rated AAAM by Standard & Poor's.

Note 4 – Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed at 35% of true value and public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. In prior years, tangible personal property was assessed at 25% of true value for capital assets and 23% of true value for inventory. The tangible personal property tax is being phased out - the assessment percentage for all property including inventory for 2008 is 6.25%. This will be reduced to zero for 2009.

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

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

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 \$3,353,093 in the general fund and \$374,212 in the debt service fund and is recognized as revenue on the fund financial statements.

The School District receives payments in lieu of certain tax payments as a result of negotiated tax abatement agreements. 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:

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

<u>Property Category</u>	2008		2007	
	<u>Assessed Value</u>		<u>Assessed Value</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real property:				
Agricultural/residential and other real estate	\$ 648,931,130	66.10%	\$ 647,833,150	63.00%
Commercial and industrial	277,033,970	28.22%	279,298,930	27.16%
Public utility	150,790	0.02%	121,780	0.01%
Tangible property:				
Personal property	35,539,997	3.62%	72,156,961	7.02%
Public property	<u>20,155,070</u>	2.05%	<u>28,977,010</u>	2.82%
Total assessed value	<u>\$ 981,810,957</u>		<u>\$ 1,028,387,831</u>	

Note 5 – Receivables

Receivables at June 30, 2008, consisted of property taxes, intergovernmental grants and interfund. All receivables are considered collectible in full.

Intergovernmental receivables consisted of the following for grants:

	<u>Amount</u>
General fund	\$ 12,044
Nonmajor governmental funds:	
Ohio reads	11,682
Alternative schools	33,999
Title VI-B	21,780
Title III	4,883
Drug free school grant	885
Preschool handicapped grants	<u>8,958</u>
Total nonmajor governmental funds	<u>82,187</u>
Enterprise fund:	
Lunchroom/cafeteria	<u>271,677</u>
Total intergovernmental receivable	<u>\$ 365,908</u>

Note 6 – Interfund Balances

A. Interfund Transfers

Interfund transfers for the year ended June 30, 2008, consisted of the following, as reported on the fund financial statements:

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

	<u>Transfer Out:</u>
	General
	<u>Fund</u>
<u>Transfer In:</u>	
Nonmajor funds	\$ 1,465,002
Internal Service fund - Self Insurance	<u>700,000</u>
Total	<u>\$ 2,165,002</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

B. Interfund Receivables and Payables

Interfund balances at June 30, 2008 consisted of the following:

	<u>Interfund</u>	<u>Interfund</u>
	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 18,061	\$ -
Nonmajor governmental funds	<u>-</u>	<u>18,061</u>
Totals	<u>\$ 18,061</u>	<u>\$ 18,061</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2008, all interfund loans outstanding are anticipated to be repaid in fiscal year 2009.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 7 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance 7/1/2007</u>	<u>Addition</u>	<u>Deletion</u>	<u>Balance 6/30/2008</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 831,546	\$ 4,904,262	\$ -	\$ 5,735,808
Construction in progress	-	2,401,385	-	2,401,385
Total capital assets, not being depreciated	<u>831,546</u>	<u>7,305,647</u>	<u>-</u>	<u>8,137,193</u>
Capital assets, being depreciated:				
Land improvements	1,913,456	-	-	1,913,456
Building and improvements	29,678,905	-	-	29,678,905
Furniture, fixtures and equipment	7,492,264	86,530	(1,549,010)	6,029,784
Vehicles	503,665	-	-	503,665
Library and textbooks	1,679,422	-	-	1,679,422
Total capital assets, being depreciated	<u>41,267,712</u>	<u>86,530</u>	<u>(1,549,010)</u>	<u>39,805,232</u>
Less accumulated depreciation:				
Land improvements	(1,479,458)	(36,720)	-	(1,516,178)
Building and improvements	(23,286,154)	(534,180)	-	(23,820,334)
Furniture, fixtures and equipment	(6,621,921)	(224,853)	1,544,714	(5,302,060)
Vehicles	(461,983)	(7,339)	-	(469,322)
Library and textbooks	(1,679,422)	-	-	(1,679,422)
Total accumulated depreciation	<u>(33,528,938)</u>	<u>(803,092)</u>	<u>1,544,714</u>	<u>(32,787,316)</u>
Total capital assets being depreciated, net	<u>7,738,774</u>	<u>(716,562)</u>	<u>(4,296)</u>	<u>7,017,916</u>
Governmental activities capital assets, net	<u>\$ 8,570,320</u>	<u>\$ 6,589,085</u>	<u>\$ (4,296)</u>	<u>\$ 15,155,109</u>
Business-type activities				
Furniture, fixtures and equipment	\$ 550,862	\$ 4,593	\$ -	\$ 555,455
Less accumulated depreciation	<u>(426,683)</u>	<u>(31,222)</u>	<u>-</u>	<u>(457,905)</u>
Business-type activities capital assets, net	<u>\$ 124,179</u>	<u>\$ (26,629)</u>	<u>\$ -</u>	<u>\$ 97,550</u>

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 240,612
Special	23,908
Vocational	252
Support services:	
Pupil	5,214
Instructional staff	26,768
Administration	41,342
Fiscal	130
Operation maintenance and plant	401,747
Central	23,627
Operation of non-instructional services	16,130
Extracurricular activities	<u>23,362</u>
Total depreciation expense	<u>\$ 803,092</u>

Note 8 – Leases

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

The gross amount of assets acquired under capital leases by major assets class was \$6,915,029.

The future minimum lease obligations and the net present values of these minimum lease payments as of June 30, 2008, were as follow:

Year Ending June 30,	Lease <u>Payments</u>
2009	\$ 825,103
2010	673,843
2011	552,438
2012	536,641
2013	536,641
2014-2018	2,683,204
2019-2020	<u>804,961</u>
Total minimum lease payments	6,612,831
Less: amount representing interest	<u>(1,312,263)</u>
Present value of minimum lease payment	<u>\$ 5,300,568</u>

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 9 - Long-term liabilities

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

	Principal Outstanding 6/30/2007	Additions	Reductions	Principal Outstanding 6/30/2008	Due within One Year
Governmental Activities:					
<u>General obligation bonds</u>					
Bond anticipation notes	\$ 5,000,000	\$ -	\$ (5,000,000)	\$ -	\$ -
2007 School improvement bonds					
serial bonds	-	44,250,000	-	44,250,000	80,000
Capital appreciation bonds	-	749,971	-	749,971	-
Accretion on bonds	-	103,981	-	103,981	-
Premium on bonds	-	631,723	(32,850)	598,873	-
Total general obligation bonds	<u>5,000,000</u>	<u>45,735,675</u>	<u>(5,032,850)</u>	<u>45,702,825</u>	<u>80,000</u>
<u>Other long-term obligations</u>					
Capital leases, equipment	5,210,973	-	(326,820)	4,884,153	340,323
Capital leases	<u>672,585</u>	-	<u>(256,170)</u>	<u>416,415</u>	<u>269,271</u>
Total capital leases	5,883,558	-	(582,990)	5,300,568	609,594
Compensated absences	<u>4,155,352</u>	<u>225,229</u>	<u>(210,887)</u>	<u>4,169,694</u>	<u>558,041</u>
Total other long-term obligations	<u>10,038,910</u>	<u>225,229</u>	<u>(793,877)</u>	<u>9,470,262</u>	<u>1,167,635</u>
Total governmental activities					
Long-term liabilities	<u>\$ 15,038,910</u>	<u>\$ 45,960,904</u>	<u>\$ (5,826,727)</u>	<u>\$ 55,173,087</u>	<u>\$ 1,247,635</u>

On September 5, 2007 the School District issued school improvement bonds in the amount of \$44,999,971. 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.

Compensated absences will be paid from the general fund.

Note 10 – 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 2008 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.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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.

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 \$200,000 per member and an aggregate stop-loss of \$6,096,972 for medical claims. Excess losses are insured by the Medical Mutual of Ohio plan.

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

The claims liability is \$1,508,700 reported in the self-insurance fund at June 30, 2008 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.

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2007	\$ 1,088,800	\$ 7,728,828	\$ 7,334,128	\$ 1,483,500
2008	\$ 1,483,500	\$ 5,742,404	\$ 5,717,204	\$ 1,508,700

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 11 – 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.

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 2008, 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, 2008, 2007 and 2006 were \$1,072,776, \$970,263 and \$1,028,663 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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.

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.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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, 2008, 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 2007, 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, 2008, 2007, and 2006 were \$4,567,078, \$4,834,128, and \$4,710,101 respectively; 83.87 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$55,368 made by the School District and \$105,515 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, 2008, three members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

Note 12 – 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.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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 2008, 4.18 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 2008, this amount was \$150,080.

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, 2008, 2007, and 2006 were \$279,855, \$241,657, and \$469,412 respectively; 45.12 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$66,922, \$59,960, and \$74,118 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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.

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 2008, 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, 2008, 2007, and 2006 were \$351,314, \$371,856, and \$362,315 respectively; 83.87 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Note 13 – 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 2008, the School District contributed \$161,729 to LEECA.

Note 14 – 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, 2008.

B. Litigation

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

Note 15 – Set-Aside Requirements

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

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

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

	Textbooks	Capital Improvement
Set-aside balance as of June 30, 2007	\$ (63,091)	\$ -
Current year set-aside requirement	1,169,922	1,169,922
Qualifying expenditures	(1,062,595)	(1,764,987)
Totals	\$ 44,236	\$ (595,065)
 Balance carried forward to future years	 \$ 44,236	 \$ -

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

Note 16 – Accountability and Compliance

A. Accountability

As of June 30, 2008, three funds had deficit fund balances. These deficits were caused by the application of GAAP; namely in the reporting of various liabilities attributable to the fiscal year. These deficit balances will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The following funds had deficit balances:

	Amount
<u>Nonmajor special revenue funds:</u>	
Termination benefits	\$ 32,855
Ohio reads	8,038
Drug-free school grant	1,593

B. Compliance

Ohio Revised Code 5705.41(d), prohibits the School District from entering into a contract or ordering an expenditure of money unless a certificate signed by a fiscal officer is attached thereto. The School District had two purchase commitments that were made prior to the treasurer's certification.

Note 17 –Restatement of Net Assets

As of June 30, 2008, the School District has implemented a new method of estimating the liability for compensated absences as described in GASB Statement 16. In the prior year the School District was using the vesting method and has switched to using the termination method. The School District believes the termination method is preferable to the method previously employed. This change has resulted in a restatement of compensated absences.

Elyria City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

The restatement of net assets is presented below:

Net assets, June 30, 2007	\$ 2,917,287
Restatement of compensated absences	<u>3,596,904</u>
Restated net assets, as of July 1, 2007	<u><u>\$ 6,514,191</u></u>

Note 18 – Commitments

The School District has entered into contracts for the planning and construction of classroom facilities. As of June 30, 2008 the School District is committed to contracts for these projects in the amount of \$693,404. These projects are commitments of the Classroom Facilities capital projects fund.

*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 purpose. 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 of 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 system.

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.

Entry Year Teacher Fund - This fund accounts for stipends given to the mentor teachers.

Data Communications Fund - To account 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-Nonmajor Funds (continued)
Nonmajor Special Revenue Fund (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 schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program and for operating expenses associated with administering the program.

Summer School Fund – 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, dropout 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 education and prevention.

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

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

Combining Statements-Nonmajor Funds (continued)
Nonmajor Special Revenue Fund (continued)

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 Funds

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

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

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

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

Elyria City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,574,622	\$ 227,063	\$ 7,612,933	\$ 11,414,618
Receivables:				
Intergovernmental	82,187	-	-	82,187
Taxes	<u>488,628</u>	<u>2,804,715</u>	<u>-</u>	<u>3,293,343</u>
Total assets	<u>\$ 4,145,437</u>	<u>\$ 3,031,778</u>	<u>\$ 7,612,933</u>	<u>\$ 14,790,148</u>
 <u>Liabilities and fund balance:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 105,090	\$ -	\$ 2,240	\$ 107,330
Accrued wages	859,980	-	-	859,980
Interfund payable	18,061	-	-	18,061
Intergovernmental payable	63,004	-	-	63,004
Pension obligation payable	310,923	-	-	310,923
Deferred revenue	<u>466,308</u>	<u>2,486,023</u>	<u>-</u>	<u>2,952,331</u>
Total liabilities	<u>1,823,366</u>	<u>2,486,023</u>	<u>2,240</u>	<u>4,311,629</u>
 <u>Fund balance:</u>				
Reserved for encumbrances	104,362	-	69,800	174,162
Reserved for property taxes	55,520	318,692	-	374,212
Unreserved:				
Undesignated, reported in:				
Special revenue funds	2,162,189	-	-	2,162,189
Debt service fund	-	227,063	-	227,063
Capital projects funds	-	-	7,540,893	7,540,893
Total fund balance	<u>2,322,071</u>	<u>545,755</u>	<u>7,610,693</u>	<u>10,478,519</u>
Total liabilities and fund balance	<u>\$ 4,145,437</u>	<u>\$ 3,031,778</u>	<u>\$ 7,612,933</u>	<u>\$ 14,790,148</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, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Taxes	\$ 280,950	\$ 1,612,660	\$ -	\$ 1,893,610
Intergovernmental	12,492,258	151,253	1,649,596	14,293,107
Interest	1,844	-	825,209	827,053
Tuition and fees	249,990	-	-	249,990
Extracurricular activities	355,219	-	-	355,219
Gifts and donations	200,399	-	-	200,399
Miscellaneous	83,016	-	283,370	366,386
Total revenues	<u>13,663,676</u>	<u>1,763,913</u>	<u>2,758,175</u>	<u>18,185,764</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	3,708,758	-	202	3,708,960
Special	3,006,963	-	-	3,006,963
Adult/Continuing	62,794	-	-	62,794
Other	654,325	-	-	654,325
Support services:				
Pupils	1,661,594	-	-	1,661,594
Instructional staff	2,789,100	-	-	2,789,100
Board of education	203	-	-	203
Administration	737,589	-	-	737,589
Fiscal	4,379	25,137	2,155	31,671
Operation and maintenance of plant	454,159	-	68,193	522,352
Pupil transportation	716,126	-	-	716,126
Central	219,849	-	-	219,849
Operation of non-instructional services	1,144,361	-	-	1,144,361
Extracurricular activities	445,713	-	-	445,713
Capital outlay	31,384	-	6,364,411	6,395,795
Debt service:				
Principal retirement	-	5,000,000	-	5,000,000
Interest and fiscal charges	-	1,656,454	-	1,656,454
Issuance costs	-	191,111	-	191,111
Total expenditures	<u>15,637,297</u>	<u>6,872,702</u>	<u>6,434,961</u>	<u>28,944,960</u>
Excess of revenues under expenditures	<u>(1,973,621)</u>	<u>(5,108,789)</u>	<u>(3,676,786)</u>	<u>(10,759,196)</u>
<u>Other financing sources:</u>				
General obligation bonds issued	-	5,000,000	6,161,569	11,161,569
Premium on bonds issued	-	627,361	4,362	631,723
Transfers in	1,465,002	-	-	1,465,002
Total other financing sources	<u>1,465,002</u>	<u>5,627,361</u>	<u>6,165,931</u>	<u>13,258,294</u>
Net change in fund balances	(508,619)	518,572	2,489,145	2,499,098
Fund balances at beginning of year	2,830,690	27,183	5,121,548	7,979,421
Fund balances at end of year	<u>\$ 2,322,071</u>	<u>\$ 545,755</u>	<u>\$ 7,610,693</u>	<u>\$ 10,478,519</u>

Elyria City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Special Trust	Uniform School Supplies	Rotary	Public School Support
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 22,448	\$ 334,489	\$ 124,690	\$ 192,794
Receivables:				
Intergovernmental	-	-	-	-
Taxes	-	-	-	-
Total assets	<u>\$ 22,448</u>	<u>\$ 334,489</u>	<u>\$ 124,690</u>	<u>\$ 192,794</u>
<u>Liabilities and fund balance :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 6,881	\$ 6,372	\$ 1,634
Accrued wages	-	-	-	-
Interfund payable	-	-	-	-
Intergovernmental payable	-	1,614	13	-
Pension obligation payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>8,495</u>	<u>6,385</u>	<u>1,634</u>
<u>Fund balance:</u>				
Reserved for encumbrances	-	20	6,196	3,807
Reserved for property taxes	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue funds	22,448	325,974	112,109	187,353
Total fund balance	<u>22,448</u>	<u>325,994</u>	<u>118,305</u>	<u>191,160</u>
Total liabilities and fund balance	<u>\$ 22,448</u>	<u>\$ 334,489</u>	<u>\$ 124,690</u>	<u>\$ 192,794</u>

Local Grants	Classroom Facilities Maintenance	Termination Benefits	Athletic and Music	Auxiliary Services	Educational Management Information Systems	Public School Preschool
\$ 142,398	\$ 249,246	\$ 23,592	\$ 251,437	\$ 288,340	\$ 3,536	\$ -
-	-	-	-	-	-	-
-	488,628	-	-	-	-	-
<u>\$ 142,398</u>	<u>\$ 737,874</u>	<u>\$ 23,592</u>	<u>\$ 251,437</u>	<u>\$ 288,340</u>	<u>\$ 3,536</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 17,693	\$ -	\$ -
-	-	-	-	29,551	-	-
-	-	-	-	-	-	-
281	-	-	-	3,207	102	-
51	-	56,447	-	6,142	1,543	-
-	433,108	-	-	-	-	-
<u>332</u>	<u>433,108</u>	<u>56,447</u>	<u>-</u>	<u>56,593</u>	<u>1,645</u>	<u>-</u>
9,137	-	-	9,131	29,887	-	-
-	55,520	-	-	-	-	-
132,929	249,246	(32,855)	242,306	201,860	1,891	-
<u>142,066</u>	<u>304,766</u>	<u>(32,855)</u>	<u>251,437</u>	<u>231,747</u>	<u>1,891</u>	<u>-</u>
<u>\$ 142,398</u>	<u>\$ 737,874</u>	<u>\$ 23,592</u>	<u>\$ 251,437</u>	<u>\$ 288,340</u>	<u>\$ 3,536</u>	<u>\$ -</u>

(Continued)

Elyria City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Entry Year Teacher	Data Communications	SchoolNet Professional Development	Ohio Reads Grant
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ 19,967	\$ 1,743	\$ 12,901
Receivables:				
Intergovernmental	-	-	-	11,682
Taxes	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 19,967</u>	<u>\$ 1,743</u>	<u>\$ 24,583</u>
<u>Liabilities and fund balance :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 100	\$ -	\$ 14,698
Accrued wages	-	1,311	-	9,507
Interfund payable	-	-	-	-
Intergovernmental payable	-	176	6	1,403
Pension obligation payable	-	2,325	-	1,331
Deferred revenue	-	-	-	5,682
Total liabilities	<u>-</u>	<u>3,912</u>	<u>6</u>	<u>32,621</u>
<u>Fund balance:</u>				
Reserved for encumbrances	-	191	-	-
Reserved for property taxes	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue funds	-	15,864	1,737	(8,038)
Total fund balance	<u>-</u>	<u>16,055</u>	<u>1,737</u>	<u>(8,038)</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 19,967</u>	<u>\$ 1,743</u>	<u>\$ 24,583</u>

Summer School	Alternative School	School Improvement Model	Poverty Aid	Miscellaneous State Grants	Adult Basic Education	Title VI-B
\$ 10,874	\$ 6,413	\$ -	\$ 1,064,215	\$ 41,292	\$ 23,526	\$ 288,864
-	33,999	-	-	-	-	21,780
-	-	-	-	-	-	-
<u>\$ 10,874</u>	<u>\$ 40,412</u>	<u>\$ -</u>	<u>\$ 1,064,215</u>	<u>\$ 41,292</u>	<u>\$ 23,526</u>	<u>\$ 310,644</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 786	\$ 52,283
-	23,185	-	381,351	-	9,575	158,742
-	-	-	-	-	-	-
-	1,396	-	33,026	47	887	3,850
-	6,519	-	123,074	-	3,359	62,860
-	-	-	-	-	-	21,780
-	<u>31,100</u>	-	<u>537,451</u>	<u>47</u>	<u>14,607</u>	<u>299,515</u>
-	-	-	4,588	-	661	26,757
-	-	-	-	-	-	-
10,874	9,312	-	522,176	41,245	8,258	(15,628)
10,874	9,312	-	526,764	41,245	8,919	11,129
<u>\$ 10,874</u>	<u>\$ 40,412</u>	<u>\$ -</u>	<u>\$ 1,064,215</u>	<u>\$ 41,292</u>	<u>\$ 23,526</u>	<u>\$ 310,644</u>

(Continued)

Elyria City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Title III	Title I	Title V	Drug Free Schools Grant
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 122	\$ 327,266	\$ 4,654	\$ 5,794
Receivables:				
Intergovernmental	4,883	-	-	885
Taxes	-	-	-	-
Total assets	<u>\$ 5,005</u>	<u>\$ 327,266</u>	<u>\$ 4,654</u>	<u>\$ 6,679</u>
<u>Liabilities and fund balance :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 4,219	\$ 375	\$ -
Accrued wages	-	177,740	-	4,752
Interfund payable	-	-	-	-
Intergovernmental payable	6	14,624	19	258
Pension obligation payable	-	33,618	-	2,377
Deferred revenue	4,853	-	-	885
Total liabilities	<u>4,859</u>	<u>230,201</u>	<u>394</u>	<u>8,272</u>
<u>Fund balance:</u>				
Reserved for encumbrances	100	11,823	941	-
Reserved for property taxes	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue funds	46	85,242	3,319	(1,593)
Total fund balance	<u>146</u>	<u>97,065</u>	<u>4,260</u>	<u>(1,593)</u>
Total liabilities and fund balance	<u>\$ 5,005</u>	<u>\$ 327,266</u>	<u>\$ 4,654</u>	<u>\$ 6,679</u>

<u>PreSchool Handicapped Grant</u>	<u>Class Size Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 2,397	\$ 76,391	\$ 55,233	\$ 3,574,622
8,958	-	-	82,187
-	-	-	488,628
<u>\$ 11,355</u>	<u>\$ 76,391</u>	<u>\$ 55,233</u>	<u>\$ 4,145,437</u>
\$ 49	\$ -	\$ -	\$ 105,090
7,344	56,847	75	859,980
-	-	18,061	18,061
400	1,436	253	63,004
2,132	7,641	1,504	310,923
-	-	-	466,308
<u>9,925</u>	<u>65,924</u>	<u>19,893</u>	<u>1,823,366</u>
-	941	182	104,362
-	-	-	55,520
1,430	9,526	35,158	2,162,189
<u>1,430</u>	<u>10,467</u>	<u>35,340</u>	<u>2,322,071</u>
<u>\$ 11,355</u>	<u>\$ 76,391</u>	<u>\$ 55,233</u>	<u>\$ 4,145,437</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, 2008

	Special Trust	Uniform School Supplies	Rotary	Public School Support
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest	-	-	-	-
Tuition and fees	-	249,990	-	-
Extracurricular activities	-	-	-	199,468
Gifts and donations	15,977	-	53,748	45,723
Miscellaneous	151	-	28,685	18,737
Total revenues	<u>16,128</u>	<u>249,990</u>	<u>82,433</u>	<u>263,928</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	207,864	8,349	-
Special	-	-	-	-
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	-	-	-
Instructional staff	-	-	27,067	-
Board of education	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	24,159	-
Operation of non-instructional services	2,251	-	-	-
Extracurricular activities	-	-	-	274,801
Capital outlay	-	-	-	8,394
Total expenditures	<u>2,251</u>	<u>207,864</u>	<u>59,575</u>	<u>283,195</u>
Excess of revenues over (under) expenditures	<u>13,877</u>	<u>42,126</u>	<u>22,858</u>	<u>(19,267)</u>
<u>Other financing sources:</u>				
Transfers in	-	-	-	-
Net change in fund balances	13,877	42,126	22,858	(19,267)
Fund balances (deficit) at beginning of year	8,571	283,868	95,447	210,427
Fund balances (deficit) at end of year	<u>\$ 22,448</u>	<u>\$ 325,994</u>	<u>\$ 118,305</u>	<u>\$ 191,160</u>

Local Grants	Classroom Facilities Maintenance	Termination Benefits	Athletic and Music	Auxiliary Services	Educational Management Information Systems	Public School Preschool
\$ -	\$ 280,950	\$ -	\$ -	\$ -	\$ -	\$ -
-	26,351	-	-	1,086,208	25,946	84,779
-	1,844	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	155,751	-	-	-
80,012	-	-	4,939	-	-	-
6,717	-	-	28,726	-	-	-
<u>86,729</u>	<u>309,145</u>	<u>-</u>	<u>189,416</u>	<u>1,086,208</u>	<u>25,946</u>	<u>84,779</u>
51,257	-	1,215,902	-	6,069	-	16
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,091	-	-	-	-	-	84,779
-	-	133,080	-	-	-	-
-	-	-	-	-	-	-
7,211	-	-	-	-	-	1,889
-	4,379	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,485	-	-	-	-	26,432	-
-	-	-	-	968,407	-	-
8,752	-	-	162,160	-	-	-
-	-	-	-	1,399	-	-
<u>78,796</u>	<u>4,379</u>	<u>1,348,982</u>	<u>162,160</u>	<u>975,875</u>	<u>26,432</u>	<u>86,684</u>
<u>7,933</u>	<u>304,766</u>	<u>(1,348,982)</u>	<u>27,256</u>	<u>110,333</u>	<u>(486)</u>	<u>(1,905)</u>
-	-	1,415,898	-	-	-	-
7,933	304,766	66,916	27,256	110,333	(486)	(1,905)
134,133	-	(99,771)	224,181	121,414	2,377	1,905
<u>\$ 142,066</u>	<u>\$ 304,766</u>	<u>\$ (32,855)</u>	<u>\$ 251,437</u>	<u>\$ 231,747</u>	<u>\$ 1,891</u>	<u>\$ -</u>

(Continued)

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, 2008

	Entry Year Teacher	Data Communications	SchoolNet Professional Development	Ohio Reads Grant
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	15,597	57,000	2,876	189,551
Interest	-	-	-	-
Tuition and fees	-	-	-	-
Extracurricular activities	-	-	-	-
Gifts and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>15,597</u>	<u>57,000</u>	<u>2,876</u>	<u>189,551</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	-	1,574	8,299
Special	-	-	-	-
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	-	-	1,309
Instructional staff	-	-	-	182,997
Board of education	-	-	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	14,698
Central	-	48,067	1,708	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Capital outlay	-	-	1,399	-
Total expenditures	<u>-</u>	<u>48,067</u>	<u>4,681</u>	<u>207,303</u>
Excess of revenues over (under) expenditures	<u>15,597</u>	<u>8,933</u>	<u>(1,805)</u>	<u>(17,752)</u>
<u>Other financing sources (uses):</u>				
Transfers in	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	16,597	8,933	(1,805)	(17,752)
Fund balances (deficit) at beginning of year	<u>(16,597)</u>	<u>7,122</u>	<u>3,542</u>	<u>9,714</u>
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>\$ 16,055</u>	<u>\$ 1,737</u>	<u>\$ (8,038)</u>

Summer School	Alternative School	School Improvement Model	Poverty Aid	Miscellaneous State Grants	Adult Basic Education	Title VI-B
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	200,431	59,326	5,020,899	130,142	150,613	2,242,602
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	200,431	59,326	5,020,899	130,142	150,613	2,242,602
-	73,746	59,326	2,005,292	44,402	-	-
-	-	-	166,263	12,935	-	707,078
-	-	-	-	-	62,794	-
-	-	-	654,325	-	-	-
-	-	-	954,244	1,893	2,295	343,260
-	53,544	-	249,507	152	83,403	1,125,647
-	-	-	-	-	-	-
-	63,679	-	275,041	3,157	3,217	183,611
-	-	-	-	-	-	-
-	-	-	454,159	-	-	-
-	-	-	479,709	59,887	-	42,768
-	-	-	115,401	-	-	-
-	-	-	28,442	-	-	126,549
-	-	-	-	-	-	-
-	-	-	-	5,596	-	12,098
-	190,969	59,326	5,382,383	128,022	151,709	2,541,011
-	9,462	-	(361,484)	2,120	(1,096)	(298,409)
-	-	-	-	-	-	-
-	9,462	-	(361,484)	2,120	(1,096)	(298,409)
10,874	(150)	-	888,248	39,125	10,015	309,538
\$ 10,874	\$ 9,312	\$ -	\$ 526,764	\$ 41,245	\$ 8,919	\$ 11,129

(Continued)

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, 2008

	Title III	Title I	Title V	Drug Free Schools Grant
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,183	2,550,646	13,787	35,243
Interest	-	-	-	-
Tuition and fees	-	-	-	-
Extracurricular activities	-	-	-	-
Gifts and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>5,183</u>	<u>2,550,646</u>	<u>13,787</u>	<u>35,243</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	2,555	23,566	-	-
Special	789	1,720,148	-	-
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	68,627	-	36,438
Instructional staff	1,693	848,729	13,625	445
Board of education	-	-	-	-
Administration	-	133,271	-	-
Fiscal	-	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	116,995	-	-
Central	-	-	-	-
Operation of non-instructional services	-	18,159	553	-
Extracurricular activities	-	-	-	-
Capital outlay	-	2,498	-	-
Total expenditures	<u>5,037</u>	<u>2,931,993</u>	<u>14,178</u>	<u>36,883</u>
Excess of revenues over (under) expenditures	<u>146</u>	<u>(381,347)</u>	<u>(391)</u>	<u>(1,640)</u>
<u>Other financing sources (uses):</u>				
Transfers in	-	48,104	-	-
Net change in fund balance	146	(333,243)	(391)	(1,640)
Fund balances (deficit) at beginning of year	-	430,308	4,651	47
Fund balances (deficit) at end of year	<u>\$ 146</u>	<u>\$ 97,065</u>	<u>\$ 4,260</u>	<u>\$ (1,593)</u>

<u>PreSchool Handicapped Grant</u>	<u>Class Size Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 280,950
76,092	313,494	205,492	12,492,258
-	-	-	1,844
-	-	-	249,990
-	-	-	355,219
-	-	-	200,399
-	-	-	83,016
<u>76,092</u>	<u>313,494</u>	<u>205,492</u>	<u>13,663,676</u>
-	-	541	3,708,758
1,382	398,368	-	3,006,963
-	-	-	62,794
-	-	-	654,325
-	3,810	154,848	1,661,594
26,366	22,759	20,086	2,789,100
-	-	203	203
50,382	2,212	13,919	737,589
-	-	-	4,379
-	-	-	454,159
-	-	2,069	716,126
-	-	2,597	219,849
-	-	-	1,144,361
-	-	-	445,713
-	-	-	31,384
<u>78,130</u>	<u>427,149</u>	<u>194,263</u>	<u>15,637,297</u>
<u>(2,038)</u>	<u>(113,655)</u>	<u>11,229</u>	<u>(1,973,621)</u>
-	-	-	1,465,002
(2,038)	(113,655)	11,229	(508,619)
3,468	124,122	24,111	2,830,690
<u>\$ 1,430</u>	<u>\$ 10,467</u>	<u>\$ 35,340</u>	<u>\$ 2,322,071</u>

Elyria City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2008

	Permanent Improvement	Capital Building	SchoolNet Plus	Total Nonmajor Capital Projects Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 49,263	\$ 7,563,377	\$ 293	\$ 7,612,933
Total assets	\$ 49,263	\$ 7,563,377	\$ 293	\$ 7,612,933
 <u>Liabilities and fund balance :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 2,240	\$ -	\$ 2,240
Total liabilities	-	2,240	-	2,240
 <u>Fund balance:</u>				
Reserved for encumbrances	-	69,800	-	69,800
Unreserved:				
Undesignated, reported in:		-		
Capital projects funds	49,263	7,491,337	293	7,540,893
Total fund balance	49,263	7,561,137	293	7,610,693
Total liabilities and fund balance	\$ 49,263	\$ 7,563,377	\$ 293	\$ 7,612,933

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, 2008

	<u>Permanent Improvement</u>	<u>Capital Building</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 1,649,502	\$ 94	\$ 1,649,596
Interest	-	825,209	-	825,209
Miscellaneous	-	283,370	-	283,370
Total revenues	<u>-</u>	<u>2,758,081</u>	<u>94</u>	<u>2,758,175</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	-	202	202
Support services:				
Fiscal	2,155	-	-	2,155
Operation and maintenance of plant	68,193	-	-	68,193
Capital outlay	-	6,364,411	-	6,364,411
Total expenditures	<u>70,348</u>	<u>6,364,411</u>	<u>202</u>	<u>6,434,961</u>
Excess of revenues under expenditures	<u>(70,348)</u>	<u>(3,606,330)</u>	<u>(108)</u>	<u>(3,676,786)</u>
<u>Other financing sources:</u>				
General obligation bonds issued	-	6,161,569	-	6,161,569
Premium on bonds issued	-	4,362	-	4,362
Total other financing sources	<u>-</u>	<u>6,165,931</u>	<u>-</u>	<u>6,165,931</u>
Net change in fund balances	(70,348)	2,559,601	(108)	2,489,145
Fund balances at beginning of year	<u>119,611</u>	<u>5,001,536</u>	<u>401</u>	<u>5,121,548</u>
Fund balances at end of year	<u>\$ 49,263</u>	<u>\$ 7,561,137</u>	<u>\$ 293</u>	<u>\$ 7,610,693</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
For the Fiscal Year Ended June 30, 2008

Special Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 15,977	\$ 15,977	\$ -
Miscellaneous	151	151	-
Total revenues	<u>16,128</u>	<u>16,128</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	<u>22,083</u>	<u>2,250</u>	<u>19,833</u>
Net change in fund balance	(5,955)	13,878	19,833
Fund balance at beginning of year	8,571	8,571	-
Fund balance at end of year	<u>\$ 2,616</u>	<u>\$ 22,449</u>	<u>\$ 19,833</u>

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	<u>\$ 270,469</u>	<u>\$ 249,990</u>	<u>\$ (20,479)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	<u>555,763</u>	<u>201,019</u>	<u>354,744</u>
Net change in fund balance	(285,294)	48,971	334,265
Fund balance at beginning of year	281,083	281,083	-
Prior year encumbrances appropriated	4,211	4,211	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 334,265</u>	<u>\$ 334,265</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Rotary Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ -	\$ 53,748	\$ 53,748
Miscellaneous	21,251	28,685	7,434
Total revenues	<u>21,251</u>	<u>82,433</u>	<u>61,182</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	35,801	8,344	27,457
Adult/continuing	5	-	5
Support services:			
Instructional staff	22,970	27,174	(4,204)
Central	8,906	31,405	(22,499)
Operation of non-instructional services	2,090	-	2,090
Total expenditures	<u>69,772</u>	<u>66,923</u>	<u>2,849</u>
Excess of revenues over (under) expenditures	<u>(48,521)</u>	<u>15,510</u>	<u>64,031</u>
<u>Other financing uses:</u>			
Advances out	<u>(48,091)</u>	<u>-</u>	<u>48,091</u>
Net change in fund balance	(96,612)	15,510	112,122
Fund balance at beginning of year	91,292	91,292	-
Prior year encumbrances appropriated	5,320	5,320	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 112,122</u>	<u>\$ 112,122</u>

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 104,663	\$ 199,468	\$ 94,805
Gifts and donations	-	45,723	45,723
Miscellaneous	-	18,737	18,737
Total revenues	<u>104,663</u>	<u>263,928</u>	<u>159,265</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Extracurricular activities	319,335	291,056	28,279
Net change in fund balance	(214,672)	(27,128)	187,544
Fund balance at beginning of year	195,619	195,619	-
Prior year encumbrances appropriated	19,334	19,334	-
Fund balance at end of year	<u>\$ 281</u>	<u>\$ 187,825</u>	<u>\$ 187,544</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Local Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 62,617	\$ 80,012	\$ 17,395
Miscellaneous	6,717	6,717	-
Total revenues	<u>69,334</u>	<u>86,729</u>	<u>17,395</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	162,133	60,202	101,931
Support services:			
Pupils	10,593	10,000	593
Instructional staff	367	-	367
Administration	11,325	7,211	4,114
Pupil transportation	300	-	300
Central	3,947	3,280	667
Extracurricular activities	14,546	8,752	5,794
Total expenditures	<u>203,211</u>	<u>89,445</u>	<u>113,766</u>
Excess of revenues over (under) expenditures	<u>(133,877)</u>	<u>(2,716)</u>	<u>131,161</u>
<u>Other financing uses:</u>			
Advances out	<u>(6,542)</u>	<u>(6,542)</u>	<u>-</u>
Net change in fund balance	(140,419)	(9,258)	131,161
Fund balance at beginning of year	140,889	140,889	-
Prior year encumbrances appropriated	1,630	1,630	-
Fund balance at end of year	<u>\$ 2,100</u>	<u>\$ 133,261</u>	<u>\$ 131,161</u>

Classroom Facilities Maintenance Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 10,000	\$ 225,430	\$ 215,430
Intergovernmental	-	26,351	26,351
Interest	-	1,844	1,844
Total revenues	<u>10,000</u>	<u>253,625</u>	<u>243,625</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	10,000	4,379	5,621
Net change in fund balance	-	249,246	249,246
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 249,246</u>	<u>\$ 249,246</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Termination Benefits Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,179,095	1,175,503	3,592
Support services:			
Instructional staff	255,441	235,441	20,000
Total expenditures	1,434,536	1,410,944	23,592
Excess of revenues over (under) expenditures	(1,434,536)	(1,410,944)	23,592
<u>Other financing sources:</u>			
Transfers in	1,415,898	1,415,898	-
Net change in fund balance	(18,638)	4,954	23,592
Fund balances at beginning of year	18,638	18,638	-
Fund balances at end of year	\$ -	\$ 23,592	\$ 23,592

Athletic and Music Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 105,350	\$ 155,751	\$ 50,401
Gifts and donations	4,000	4,939	939
Miscellaneous	26,230	28,726	2,496
Total revenues	135,580	189,416	53,836
<u>Expenditures:</u>			
Current:			
Extracurricular activities	239,571	171,436	68,135
Net change in fund balance	(103,991)	17,980	121,971
Fund balance at beginning of year	221,756	221,756	-
Prior year encumbrances appropriated	2,574	2,574	-
Fund balance at end of year	\$ 120,339	\$ 242,310	\$ 121,971

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Auxiliary Services Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,083,732	\$ 1,086,208	\$ 2,476
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	1,242,270	1,004,775	237,495
Excess of revenues over (under) expenditures	(158,538)	81,433	239,971
<u>Other financing uses:</u>			
Refund of prior year receipts	(6,857)	(6,069)	788
Net change in fund balance	(165,395)	75,364	240,759
Fund balance at beginning of year	45,575	45,575	-
Prior year encumbrances appropriated	119,822	119,822	-
Fund balance at end of year	<u>\$ 2</u>	<u>\$ 240,761</u>	<u>\$ 240,759</u>

Education Management Information Systems Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 25,946	\$ 25,946	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Central	29,310	26,720	2,590
Net change in fund balance	(3,364)	(774)	2,590
Fund balance at beginning of year	4,309	4,309	-
Prior year encumbrances appropriated	1	1	-
Fund balance at end of year	<u>\$ 946</u>	<u>\$ 3,536</u>	<u>\$ 2,590</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Public School Preschool Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 84,779	\$ 84,779	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	84,779	84,779	-
Administration	1,889	1,889	-
Total expenditures	86,668	86,668	-
Excess of revenues under expenditures	(1,889)	(1,889)	-
<u>Other financing uses:</u>			
Refund of prior year receipts	(16)	(16)	-
Net change in fund balance	(1,905)	(1,905)	-
Fund balance at beginning of year	1,905	1,905	-
Fund balance at end of year	\$ -	\$ -	\$ -

Entry Year Teacher Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 15,597	\$ 15,597	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	1,188	1,188	-
Support services:			
Instructional staff	9	9	-
Total expenditures	1,197	1,197	-
Excess of revenues over expenditures	14,400	14,400	-
<u>Other financing sources (uses):</u>			
Advances out	(15,400)	(15,400)	-
Transfers in	1,000	1,000	-
Total other financing sources (uses)	(14,400)	(14,400)	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Data Communication Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 57,000	\$ 57,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Central	70,415	50,740	19,675
Net change in fund balance	(13,415)	6,260	19,675
Fund balance at beginning of year	7,731	7,731	-
	5,684	5,684	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 19,675</u>	<u>\$ 19,675</u>

SchoolNet Professional Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,873	\$ 2,876	\$ 3
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,500	1,399	101
Support services:			
Central	3,350	1,711	1,639
Total expenditures	4,850	3,110	1,740
Excess of revenues over (under) expenditures	(1,977)	(234)	1,743
<u>Other financing uses:</u>			
Refund of prior year receipts	(1,574)	(1,574)	-
Net change in fund balance	(3,551)	(1,808)	1,743
Fund balance at beginning of year	3,151	3,151	-
	400	400	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,743</u>	<u>\$ 1,743</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Ohio Reads Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 223,402	\$ 196,952	\$ (26,450)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	9,831	8,452	1,379
Special	78	-	78
Support services:			
Pupils	1,836	1,321	515
Instructional staff	208,165	170,786	37,379
Total expenditures	219,910	180,559	39,351
Excess of revenues over expenditures	3,492	16,393	12,901
<u>Other financing uses:</u>			
Advances out	(13,068)	(13,068)	-
Net change in fund balance	(9,576)	3,325	12,901
Fund balance at beginning of year	78	78	-
Prior year encumbrances appropriated	9,498	9,498	-
Fund balance at end of year	\$ -	\$ 12,901	\$ 12,901

Summer School Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	10,874	10,874	-
Fund balance at end of year	\$ 10,874	\$ 10,874	\$ -

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Alternative School Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 233,324	\$ 199,326	\$ (33,998)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	75,630	62,258	13,372
Support services:			
Instructional staff	52,890	44,152	8,738
Administration	72,591	54,291	18,300
Total expenditures	201,111	160,701	40,410
Excess of revenues over expenditures	32,213	38,625	6,412
<u>Other financing uses:</u>			
Advances out	(32,415)	(32,415)	-
Net change in fund balance	(202)	6,210	6,412
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	202	202	-
Fund balance at end of year	\$ -	\$ 6,412	\$ 6,412

School Improvement Model Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 59,326	\$ 59,326	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	59,326	59,326	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Poverty Aid Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 4,277,591	\$ 5,020,899	\$ 743,308
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	4,635,720	1,975,108	2,660,612
Special	-	152,197	(152,197)
Other	150,952	639,216	(488,264)
Support services:			
Pupils	727,160	921,553	(194,393)
Instructional staff	-	247,930	(247,930)
Administration	-	272,311	(272,311)
Fiscal	82,251	-	82,251
Operation and maintenance of plant	-	457,368	(457,368)
Pupil transportation	-	479,709	(479,709)
Central	-	105,758	(105,758)
Operation of non-instructional services	-	28,614	(28,614)
Total expenditures	<u>5,596,083</u>	<u>5,279,764</u>	<u>316,319</u>
Net change in fund balance	(1,318,492)	(258,865)	1,059,627
Fund balances at beginning of year	1,314,724	1,314,724	-
Prior year encumbrances appropriated	3,769	3,769	-
Fund balances at end of year	<u>\$ 1</u>	<u>\$ 1,059,628</u>	<u>\$ 1,059,627</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 147,341	\$ 153,909	\$ 6,568
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	52,451	52,453	(2)
Special	19,730	12,967	6,763
Support services:			
Pupils	9,973	1,893	8,080
Instructional staff	409	632	(223)
Administration	4,151	4,361	(210)
Pupil transportation	85,190	59,887	25,303
Total expenditures	171,904	132,193	39,711
Excess of revenues over (under) expenditures	(24,563)	21,716	46,279
<u>Other financing uses:</u>			
Refund of prior year receipts	(561)	(561)	-
Advances out	-	(4,987)	(4,987)
Total other financing uses	(561)	(5,548)	(4,987)
Net change in fund balance	(25,124)	16,168	41,292
Fund balance at beginning of year	11,578	11,578	-
Prior year encumbrances appropriated	13,547	13,547	-
Fund balance at end of year	\$ 1	\$ 41,293	\$ 41,292

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Adult Basic Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 174,340	\$ 167,572	\$ (6,768)
<u>Expenditures:</u>			
Current:			
Instruction:			
Adult/continuing	75,871	62,403	13,468
Support services:			
Pupils	2,500	2,318	182
Instructional staff	98,654	83,826	14,828
Administration	3,573	3,206	367
Total expenditures	<u>180,598</u>	<u>151,753</u>	<u>28,845</u>
Net change in fund balance	(6,258)	15,819	22,077
Fund balance at beginning of year	5,722	5,722	-
Prior year encumbrances appropriated	536	536	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 22,077</u>	<u>\$ 22,077</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

	Title VI-B Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,748,051	\$ 2,504,176	\$ (243,875)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	847,741	739,729	108,012
Support services:			
Pupils	439,561	374,089	65,472
Instructional staff	1,347,911	1,125,608	222,303
Administration	217,736	184,293	33,443
Pupil transportation	52,101	40,094	12,007
Operation of non-instructional services	144,776	127,311	17,465
Total expenditures	3,049,826	2,591,124	458,702
Excess of revenues over (under) expenditures	(301,775)	(86,948)	214,827
<u>Other financing uses:</u>			
Refund of prior year receipts	(50)	-	50
Net change in fund balance	(301,825)	(86,948)	214,877
Fund balance at beginning of year	220,752	220,752	-
Prior year encumbrances appropriated	81,073	81,073	-
Fund balance at end of year	\$ -	\$ 214,877	\$ 214,877

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Title III Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 10,094	\$ 5,153	\$ (4,941)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,687	2,555	1,132
Special	1,376	783	593
Support services:			
Instructional staff	5,031	1,793	3,238
Total expenditures	10,094	5,131	4,963
Net change in fund balance	-	22	22
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 22	\$ 22

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 3,263,548	\$ 3,036,093	\$ (227,455)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	23,566	23,566	-
Special	1,886,361	1,768,410	117,951
Support services:			
Pupils	86,657	79,274	7,383
Instructional staff	1,263,474	860,230	403,244
Administration	177,175	134,245	42,930
Pupil transportation	124,093	117,545	6,548
Operation of non-instructional services	27,108	18,164	8,944
Total expenditures	3,588,434	3,001,434	587,000
Excess of revenues over (under) expenditures	(324,886)	34,659	359,545
<u>Other financing sources (uses):</u>			
Advances out	-	(48,104)	(48,104)
Transfers in	48,104	48,104	-
Total other financing sources (uses)	48,104	-	(48,104)
Net change in fund balance	(276,782)	34,659	311,441
Fund balance at beginning of year	181,519	181,519	-
Prior year encumbrances appropriated	95,263	95,263	-
Fund balance at end of year	\$ -	\$ 311,441	\$ 311,441

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Title V Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 24,953	\$ 15,412	\$ (9,541)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	399	-	399
Support services:			
Instructional staff	27,406	15,264	12,142
Operation of non-instructional services	891	553	338
Total expenditures	28,696	15,817	12,879
Net change in fund balance	(3,743)	(405)	3,338
Fund balance at beginning of year	305	305	-
Prior year encumbrances appropriated	3,438	3,438	-
Fund balance at end of year	\$ -	\$ 3,338	\$ 3,338

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Drug Free Schools Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 48,303	\$ 41,245	\$ (7,058)
<u>Expenditures:</u>			
Support services:			
Pupils	50,367	37,529	12,838
Instructional staff	460	445	15
Total expenditures	50,827	37,974	12,853
Net change in fund balance	(2,524)	3,271	5,795
Fund balance at beginning of year	2,524	2,524	-
Fund balance at end of year	\$ -	\$ 5,795	\$ 5,795

Preschool Handicapped Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 81,718	\$ 73,864	\$ (7,854)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	1,720	1,333	387
Support services:			
Instructional staff	29,460	26,282	3,178
Administration	56,657	49,971	6,686
Total expenditures	87,837	77,586	10,251
Net change in fund balance	(6,119)	(3,722)	2,397
Fund balance at beginning of year	5,663	5,663	-
Prior year encumbrances appropriated	456	456	-
Fund balance at end of year	\$ -	\$ 2,397	\$ 2,397

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Class Size Reduction Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 760,092	\$ 457,355	\$ (302,737)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	691,984	396,830	295,154
Support services:			
Instructional staff	113,112	30,079	83,033
Total expenditures	805,096	426,909	378,187
Net change in fund balance	(45,004)	30,446	75,450
Fund balance at beginning of year	41,024	41,024	-
Prior year encumbrances appropriated	3,980	3,980	-
Fund balance at end of year	\$ -	\$ 75,450	\$ 75,450

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Miscellaneous Federal Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 511,083	\$ 240,067	\$ (271,016)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	572	571	1
Support services:			
Pupils	232,240	158,589	73,651
Instructional staff	38,943	19,875	19,068
Administration	85,334	13,886	71,448
Business	223	-	223
Pupil transportation	9,000	2,069	6,931
Central	924	7,088	(6,164)
Total expenditures	367,236	202,078	165,158
Excess of revenues over (under) expenditures	143,847	37,989	(105,858)
<u>Other financing sources (uses):</u>			
Refund of prior year receipts	(160,925)	-	160,925
Advances in	-	25,464	25,464
Advances out	(14,950)	(40,430)	(25,480)
Total other financing sources (uses)	(175,875)	(14,966)	160,909
Net change in fund balance	(32,028)	23,023	55,051
Fund balance at beginning of year	18,073	18,073	-
Prior year encumbrances appropriated	13,955	13,955	-
Fund balance at end of year	\$ -	\$ 55,051	\$ 55,051

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,216,262	\$ 1,293,968	\$ 77,706
Intergovernmental	2,001	151,253	149,252
Total revenues	<u>1,218,263</u>	<u>1,445,221</u>	<u>226,958</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	25,138	25,138	-
Debt service:			
Principal retirement	5,000,000	5,000,000	-
Interest and fiscal charges	1,656,558	1,656,454	104
Issuance costs	191,111	191,111	-
Total expenditures	<u>6,872,807</u>	<u>6,872,703</u>	<u>104</u>
Excess of revenues over (under) expenditures	<u>(5,654,544)</u>	<u>(5,427,482)</u>	<u>227,062</u>
<u>Other financing sources:</u>			
Proceeds of bonds	5,000,000	5,000,000	-
Premium on bonds issued	627,361	627,361	-
Total other financing sources	<u>5,627,361</u>	<u>5,627,361</u>	<u>-</u>
Net change in fund balance	(27,183)	199,879	227,062
Fund balance at beginning of year	27,183	27,183	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 227,062</u>	<u>\$ 227,062</u>

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	2,155	2,155	-
Operation and maintenance of plant	34,529	34,529	-
Capital outlay	67,984	37,426	30,558
Total expenditures	104,668	74,110	30,558
Net change in fund balance	(104,668)	(74,110)	30,558
Fund balance at beginning of year	37,922	37,922	-
Prior year encumbrances appropriated	85,451	85,451	-
Fund balance at end of year	\$ 18,705	\$ 49,263	\$ 30,558

Capital Building Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,250,000	\$ 1,225,000	\$ (25,000)
Interest	565,890	825,209	259,319
Miscellaneous	-	707,872	707,872
Total revenues	1,815,890	2,758,081	942,191
<u>Expenditures:</u>			
Capital outlay	8,476,417	6,436,204	2,040,213
Excess of revenues over (under) expenditures	(6,660,527)	(3,678,123)	2,982,404
<u>Other financing sources:</u>			
Proceeds of bonds	1,652,579	6,161,569	4,508,990
Premium on bonds issued	4,362	4,362	-
Total other financing sources	1,656,941	6,165,931	4,508,990
Net change in fund balance	(5,003,586)	2,487,808	7,491,394
Fund balance at beginning of year	5,003,586	5,003,586	-
Fund balance at end of year	\$ -	\$ 7,491,394	\$ 7,491,394

Elyria City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

SchoolNet Plus Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ -	\$ 94	\$ 94
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over expenditures	-	94	94
<u>Other financing uses:</u>			
Refund of prior year receipts	(202)	(202)	-
Net change in fund balance	(202)	(108)	94
Fund balance at beginning of year	401	401	-
Fund balance at end of year	\$ 199	\$ 293	\$ 94

Classroom Facilities Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ -	\$ 6,103	\$ 6,103
<u>Expenditures:</u>			
Capital outlay	21,634,388	1,582,037	20,052,351
Excess of revenues over (under) expenditures	(21,634,388)	(1,575,934)	20,058,454
<u>Other financing sources:</u>			
Proceeds of bonds	21,634,388	33,838,402	12,204,014
Net change in fund balance	-	32,262,468	32,262,468
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 32,262,468	\$ 32,262,468

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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 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 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
For the Fiscal Year Ended June 30, 2008

Lunchroom/Cafeteria Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Operating Revenues:</u>			
Sales	\$ 830,195	\$ 830,195	\$ -
<u>Operating Expenses:</u>			
Salaries	839,879	811,363	28,516
Fringe benefits	316,300	319,456	(3,156)
Purchased services	1,594,982	1,576,725	18,257
Materials and supplies	115,005	118,474	(3,469)
Capital outlay new	38,563	38,563	-
Total operating expenses	<u>2,904,729</u>	<u>2,864,581</u>	<u>40,148</u>
Operating income/(loss)	<u>(2,074,534)</u>	<u>(2,034,386)</u>	<u>40,148</u>
<u>Non-operating Revenues:</u>			
Interest	1,251	1,251	-
Operating grants	2,071,105	2,032,006	(39,099)
Total Non-operating Revenue	<u>2,072,356</u>	<u>2,033,257</u>	<u>(39,099)</u>
Net change in fund equity	(2,178)	(1,129)	1,049
Fund equity at beginning of year	2,139	2,139	-
Prior year encumbrances appropriated	41	41	-
Fund equity at end of year	<u>\$ 2</u>	<u>\$ 1,051</u>	<u>\$ 1,049</u>

Elyria City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Self Insurance Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Operating Revenues:</u>			
Charges for services	\$ 6,907,278	\$ 6,636,468	\$ (270,810)
<u>Operating Expenses:</u>			
Salaries	45,715	46,208	(493)
Fringe benefits	196,960	189,060	7,900
Purchased services	9,195,747	7,734,011	1,461,736
Total operating expenses	9,438,422	7,969,279	1,469,143
Operating income/(loss)	(2,531,144)	(1,332,811)	1,198,333
<u>Non-operating Revenues:</u>			
Interest	73,182	73,182	-
Income/(Loss) Before Operating Transfers	(2,457,962)	(1,259,629)	1,198,333
Transfers in	700,000	-	(700,000)
Net change in fund equity	(1,757,962)	(1,259,629)	498,333
Fund equity at beginning of year	1,735,909	1,735,909	-
Prior year encumbrances appropriated	22,053	22,053	-
Fund equity at end of year	\$ -	\$ 498,333	\$ 498,333

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 Basis) and Actual
Fiduciary Fund*

Elyria City School District
Schedule of Revenues, Expenses
and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Scholarship Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Operating Revenues:</u>			
Interest	\$ 1,388	\$ 1,388	\$ -
Contributions and donations	17,533	17,533	-
Total revenues	<u>18,921</u>	<u>18,921</u>	<u>-</u>
<u>Operating Expenses:</u>			
Payment in accordance with trust agreements	<u>305,559</u>	<u>3,100</u>	<u>302,459</u>
Fund equity at beginning of year	300,815	300,815	-
Prior year encumbrances appropriated	<u>1</u>	<u>1</u>	<u>-</u>
Fund equity at end of year	<u>\$ 14,178</u>	<u>\$ 316,637</u>	<u>\$ 302,459</u>

Combining Statement

Elyria City School District
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

	<u>Beginning Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance June 30, 2008</u>
Student Managed Activity				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 186,426	\$ 392,224	\$ (396,379)	\$ 182,271
 <u>Liabilities:</u>				
Accounts payable	\$ 1,096	\$ 9,598	\$ (1,096)	\$ 9,598
Due to students	185,330	382,626	(395,283)	172,673
Total liabilities	<u>\$ 186,426</u>	<u>\$ 392,224</u>	<u>\$ (396,379)</u>	<u>\$ 182,271</u>

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	S2 - S8
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source.	S9 - S14
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S15 - S18
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S19 - S20
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S21 - S34

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

Elyria City School District

Net Assets by Component

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
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)
Restricted for:						
Capital projects	2,669,729	2,122,554	1,644,202	1,931,852	5,121,548	7,616,796
Debt service	769,297	576,703	373,730	950,874	27,183	506,834
Other purposes	1,611,116	1,796,762	2,110,573	1,866,135	2,421,468	1,095,956
State funded programs	-	-	-	-	-	837,269
Federal funded programs	-	-	-	-	427,501	194,681
Student activities	-	-	-	-	18,378	251,437
Unrestricted (deficit)	<u>9,558,826</u>	<u>6,593,715</u>	<u>4,041,676</u>	<u>(2,442,350)</u>	<u>(4,861,234)</u>	<u>(328,044)</u>
Total governmental activities net assets	<u>20,064,105</u>	<u>15,652,242</u>	<u>12,103,948</u>	<u>6,052,656</u>	<u>6,514,191</u>	<u>7,927,429</u>
Business-type Activities:						
Invested in capital assets, net of related debt	215,686	185,087	155,881	155,881	124,179	97,550
Unrestricted (deficit)	<u>159,816</u>	<u>212,692</u>	<u>227,822</u>	<u>(83,837)</u>	<u>158,005</u>	<u>186,943</u>
Total business-type activities net assets	<u>375,502</u>	<u>397,779</u>	<u>383,703</u>	<u>72,044</u>	<u>282,184</u>	<u>284,493</u>
Primary Government:						
Invested in capital assets, net of related debt	5,239,451	4,377,421	3,777,886	3,902,026	3,483,526	(2,149,950)
Restricted	5,050,142	4,496,019	4,128,505	4,748,861	8,016,078	10,502,973
Unrestricted (deficit)	<u>9,399,010</u>	<u>6,381,023</u>	<u>3,813,854</u>	<u>(2,526,187)</u>	<u>(4,703,229)</u>	<u>(141,101)</u>
Total primary government net assets	<u>\$ 19,688,603</u>	<u>\$ 15,254,463</u>	<u>\$ 11,720,245</u>	<u>\$ 6,124,700</u>	<u>\$ 6,796,375</u>	<u>\$ 8,211,922</u>

Source: School District financial records

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

Elyria City School District

Changes in Net Assets of Governmental and Business-Type Activities

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses						
Governmental Activities:						
Instruction:						
Regular	\$ 30,821,532	\$ 29,624,561	\$ 31,649,471	\$ 30,324,346	\$ 33,699,210	\$ 30,482,253
Special	9,309,759	9,113,085	9,763,249	9,376,862	9,944,646	10,462,755
Vocational	295,979	306,809	352,683	363,744	363,315	351,120
Adult	69,898	69,504	72,170	56,007	77,581	63,376
Other	3,023,391	3,855,812	4,682,829	5,123,266	6,138,664	6,863,632
Support services:						
Pupil	4,988,514	5,110,344	5,370,367	4,530,777	4,778,759	4,679,970
Instructional staff	5,253,519	4,846,921	4,943,033	4,534,477	4,801,888	4,998,312
Board of education	53,309	115,881	82,330	93,169	129,282	51,691
Administration	5,489,448	4,959,822	5,603,999	5,197,206	5,396,405	5,288,168
Fiscal	1,423,861	1,556,168	1,758,681	1,439,234	1,851,967	1,705,286
Business	964,200	832,056	1,000,184	1,148,114	680,525	780,622
Operation and maintenance of plant	6,792,093	6,900,583	6,639,825	7,899,488	7,235,350	7,252,517
Pupil transportation	2,495,848	3,142,194	3,198,557	2,665,086	3,062,472	3,236,629
Central	1,718,658	1,336,426	1,565,055	1,317,013	1,353,315	1,283,666
Operation of non-instructional services	1,712,503	1,586,493	1,854,580	1,693,187	1,721,445	1,795,136
Extracurricular activities	1,495,087	1,574,321	1,400,631	1,294,248	1,347,414	1,223,070
Interest and fiscal charges	81,549	59,738	43,075	380,415	263,789	2,159,395
Total governmental activities expenses	<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>82,677,598</u>
Business-type Activities:						
Lunchroom/cafeteria	<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>3,119,058</u>
Total primary government expenses	<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>85,796,656</u>
Program Revenues						
Governmental Activities:						
<u>Charges for services</u>						
Instruction:						
Regular	-	615,424	212,169	1,062,428	1,282,570	1,339,605
Special	1,576,791	1,135,243	1,204,802	315,540	411,576	582,079
Adult	-	362	-	-	-	-
Support services:						
Pupil	-	22,063	22,345	-	19,546	-
Instructional staff	-	59,322	25,201	2,277	-	-
Fiscal	-	30,065	30,285	-	-	-
Operation and maintenance of plant	-	-	-	77,716	77,579	74,311
Central	-	276	141	-	4,890	28,685
Operation of non-instructional services	-	945	1,379	2,559	425	151
Extracurricular activities	208,441	426,014	447,834	396,602	411,749	407,869

(continued)

Elyria City School District

Changes in Net Assets of Governmental and Business-Type Activities

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Operating grants and contributions</u>						
Instruction:						
Regular	\$ -	\$ 1,099,523	\$ 1,251,001	\$ 1,613,848	\$ 2,530,266	\$ 2,187,563
Special	2,085,097	2,680,839	2,669,948	2,300,478	2,620,309	2,441,548
Vocational	-	-	-	-	136,457	-
Adult	72,708	68,589	71,619	148,726	81,162	83,458
Other	-	-	-	250,090	633,730	620,244
Support services:						
Pupil	61,501	597,555	774,176	429,815	669,449	1,648,395
Instructional staff	922,320	1,761,242	2,834,389	1,904,682	2,361,618	2,437,879
Administration	140,874	679,642	905,757	1,037,027	813,880	726,145
Business	-	-	-	-	22,589	26,351
Operation and maintenance of plant	-	1,027	-	111,408	493,754	440,378
Pupil transportation	49,979	73,966	91,798	-	498,800	688,697
Central	30,346	89,854	95,670	89,188	179,022	89,184
Operation of non-instructional services	1,082,753	1,185,307	-	1,218,120	1,219,320	1,273,479
Extracurricular activities	-	-	1,219,654	55,007	93,645	59,381
<u>Capital grants and contributions</u>						
Instruction:						
Regular	-	-	-	-	43,935	-
Special	-	-	-	-	7,185	-
Support services:						
Instructional staff	-	-	-	-	501	-
Central	70,595	-	72,135	-	-	-
Operation and maintenance of plant	-	161,488	-	-	14,689	-
Pupil transportation	-	-	-	37,077	45,253	20,837
Extracurricular activities	-	-	-	-	17,951	-
Total governmental activities program revenues	<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>15,176,239</u>
Business-type Activities:						
Charges for services	\$ 840,491	\$ 885,967	\$ 819,045	\$ 812,436	\$ 859,248	\$ 830,195
Operating grants and contributions	1,661,653	1,844,303	1,843,386	1,578,490	2,364,057	2,289,921
Total business-type activities program revenues	<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>
Total primary government program revenues	<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>18,296,355</u>
Net (expense)/revenue						
Governmental Activities	(69,687,743)	(64,301,972)	(68,050,416)	(66,384,051)	(68,154,177)	(67,501,359)
Business-type Activities	(75,593)	111,638	(15,744)	(314,019)	207,807	1,058
Total primary government net (expense)/revenue	<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>(67,500,301)</u>

(continued)

Elyria City School District

Changes in Net Assets of Governmental and Business-Type Activities

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</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
Debt service	267,286	173,964	165,325	952,421	-	1,750,830
Grants and entitlements not restricted to specific programs	32,727,126	28,971,881	30,408,503	29,446,131	32,601,312	34,636,204
Investment earnings	506,654	299,727	441,169	588,635	835,465	2,392,798
Miscellaneous	1,572,814	183,727	316,991	1,335,485	112,603	671,330
Transfers	(147,605)	-	-	-	-	-
Total governmental activities	<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>68,914,597</u>
Business-type Activities:						
Investment earnings	483	542	1,668	2,360	2,333	1,251
Transfers	147,605	-	-	-	-	-
Total business-type activities	<u>148,088</u>	<u>542</u>	<u>1,668</u>	<u>2,360</u>	<u>2,333</u>	<u>1,251</u>
Total primary government	<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>68,915,848</u>
Change in net assets						
Governmental activities	(388,184)	(4,595,319)	(3,462,942)	(5,667,589)	(3,135,369)	1,413,238
Business-type activities	72,495	112,180	(14,076)	(311,659)	210,140	2,309
Total primary government change in net assets	<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>1,415,547</u>
Net assets beginning of the year						
Governmental activities	20,076,787	19,778,506	15,183,187	11,720,245	6,052,656	6,514,191
Business-type activities	303,007	285,599	397,779	383,703	72,044	282,184
Total primary government	<u>20,379,794</u>	<u>20,064,105</u>	<u>15,580,966</u>	<u>12,103,948</u>	<u>6,124,700</u>	<u>6,796,375</u>
Net assets end of year						
Governmental activities	19,688,603	15,183,187	11,720,245	6,052,656	6,514,191	7,927,429
Business-type activities	375,502	397,779	383,703	72,044	282,184	284,493
Total primary government	<u>\$ 20,064,105</u>	<u>\$ 15,580,966</u>	<u>\$ 12,103,948</u>	<u>\$ 6,124,700</u>	<u>\$ 6,796,375</u>	<u>\$ 8,211,922</u>

S-5

Source: School District financial records

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

Elyria City School District

**Program Revenues of Governmental and Business-Type Activities by Function
Last Six Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:						
Instruction:						
Regular	\$ -	\$ 1,714,947	\$ 1,463,170	\$ 2,676,276	\$ 3,856,771	\$ 3,527,168
Special	3,661,888	3,816,082	3,874,750	2,616,018	3,039,070	3,023,627
Vocational	-	-	-	-	136,457	-
Adult/continuing	72,708	68,951	71,619	148,726	81,162	83,458
Other	-	-	-	250,090	633,730	620,244
Support services:						
Pupil	61,501	619,618	796,521	429,815	688,995	1,648,395
Instructional staff	922,320	1,820,564	2,859,590	1,906,959	2,362,119	2,437,879
Administration	140,874	679,642	905,616	1,037,027	813,880	726,145
Fiscal	-	30,065	30,285	-	-	26,351
Business	-	-	141	-	22,589	-
Operation and maintenance of plant	-	162,515	-	189,124	571,333	514,689
Pupil transportation	49,979	73,966	91,798	37,077	544,053	709,534
Central	100,941	90,130	167,946	89,188	183,912	117,869
Operation of non-instructional services	1,082,753	1,186,252	1,379	1,220,679	1,234,434	1,273,630
Extracurricular activities	208,441	426,014	1,667,488	451,609	523,345	467,250
Total governmental program revenues	<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>\$ 15,176,239</u>
Business-type Activities:						
Lunchroom/cafeteria	<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>
Grand totals	<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>\$ 18,296,355</u>

Source: School District financial records

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

Elyria City School District
Fund Balances, Governmental Funds
Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund						
Reserved	\$ 4,588,079	\$ 4,476,170	\$ 6,203,101	\$ 4,782,671	\$ 5,573,877	\$ 4,843,019
Unreserved	<u>4,376,261</u>	<u>(87,818)</u>	<u>(4,564,004)</u>	<u>(4,612,445)</u>	<u>(2,809,417)</u>	<u>(2,235,471)</u>
Total general fund	<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>2,607,548</u>
All other governmental funds						
Reserved	1,195,833	1,106,076	644,959	1,969,228	407,360	1,242,278
Unreserved, undesignated, Reported in:						
Special revenue funds	1,124,304	921,203	676,252	1,714,596	2,505,017	2,162,189
Debt service funds	-	-	-	27,183	27,183	227,063
Capital projects funds	<u>2,606,183</u>	<u>2,057,448</u>	<u>1,503,904</u>	<u>756,482</u>	<u>5,039,861</u>	<u>39,752,307</u>
Total all other governmental funds	<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>43,383,837</u>
Total governmental funds	<u>\$ 13,890,660</u>	<u>\$ 8,473,079</u>	<u>\$ 4,464,212</u>	<u>\$ 4,637,715</u>	<u>\$ 10,743,881</u>	<u>\$ 45,991,385</u>

Source: School District financial records

Note: Modified accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

Elyria City School District

Changes in Fund Balances, Governmental Funds Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues						
Property taxes	\$ 32,312,688	\$ 30,060,012	\$ 32,484,610	\$ 32,040,353	\$ 31,183,300	\$ 30,892,056
Intergovernmental	37,609,121	37,522,772	39,566,176	39,672,825	44,543,615	47,210,747
Interest	436,535	274,734	385,568	498,059	723,588	2,319,616
Tuition and fees	1,367,169	1,478,415	1,204,802	1,349,965	1,672,369	1,914,967
Extracurricular activities	208,441	263,465	255,565	333,198	347,197	360,412
Gifts and donations	-	-	-	148,045	446,259	200,399
Rentals	-	-	-	77,717	77,579	74,311
Charges for services	261,887	250,386	164,623	2,559	425	-
Miscellaneous	1,217,433	477,723	627,095	1,511,748	223,370	748,506
Total revenues	<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>83,721,014</u>
Expenditures						
Current:						
Instruction:						
Regular	29,177,819	29,919,369	30,145,146	29,539,837	30,594,294	29,516,642
Special	8,947,016	9,403,221	9,597,893	9,238,499	9,243,533	10,266,770
Vocational	276,238	296,045	350,838	344,886	363,831	353,064
Adult	69,347	68,953	71,619	55,732	77,197	62,794
Other	3,023,391	3,855,812	4,682,829	5,123,266	6,061,018	6,809,294
Support services:						
Pupils	4,869,487	5,247,102	5,223,783	4,506,386	4,434,255	4,621,304
Instructional staff	4,969,212	4,677,036	4,884,329	4,364,576	4,537,661	4,837,938
Board of education	53,309	115,881	82,330	93,169	129,282	51,691
Administration	5,151,754	5,193,092	5,419,991	5,022,970	5,091,119	5,199,510
Fiscal	1,381,960	1,560,604	1,756,688	1,395,835	1,811,457	1,688,458
Business	944,392	760,545	999,273	1,131,684	671,140	778,417
Operation and maintenance of plant	6,394,881	6,352,738	6,272,668	7,351,557	6,719,659	6,720,419
Pupil transportation	2,481,359	3,095,430	3,198,557	2,562,518	3,062,472	3,236,629
Central	1,500,277	1,157,404	1,395,321	1,129,708	1,253,318	1,246,564
Operation of non-instructional services	1,724,033	1,578,708	1,902,631	1,615,447	1,690,632	1,734,031
Extracurricular activities	1,366,050	1,393,910	1,367,461	1,272,262	1,328,896	1,214,166
Capital outlay	391,273	783,234	357,455	6,351,373	201,220	7,392,177
Debt service:						
Principal retirement	366,438	375,294	418,049	895,875	576,763	5,582,990
Interest and fiscal charges	83,271	61,614	44,046	380,415	267,322	1,901,235
Bond issuance costs	-	-	-	-	-	191,111
Total expenditures	<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>93,405,204</u>
Excess of revenues over (under) expenditures	<u>241,767</u>	<u>(5,568,485)</u>	<u>(3,482,468)</u>	<u>(6,741,526)</u>	<u>1,102,633</u>	<u>(9,684,190)</u>
Other financing sources (uses)						
Bond anticipation notes issued	-	-	-	-	5,000,000	-
General obligation bonds issued	-	-	-	-	-	44,999,971
Premium on bonds issued	-	-	-	-	-	631,723
Accrued interest received on notes issued	-	-	-	-	3,533	-
Proceeds from sale of fixed assets	-	3,299	11,731	-	-	-
Inception of capital lease	-	-	-	6,915,029	-	-
Transfers in	727,713	279,502	2,400,000	597,608	983,000	1,465,002
Transfers out	(875,318)	(279,502)	(2,400,000)	(597,608)	(983,000)	(2,165,002)
Total other financing sources (uses)	<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>
Net change in fund balances	\$ 94,162	\$ (5,565,186)	\$ (3,470,737)	\$ 173,503	\$ 6,106,166	\$ 35,247,504
Debt service as a percentage of noncapital expenditures	0.6179%	0.5817%	0.5938%	1.6788%	1.0834%	8.9235%

Source: School District financial records

Note: Modified accrual basis of accounting. Will be reported for the last ten years when enough information is available.

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				
1999	\$ 430,440,440	198,200,750	1,796,117,686	52,552,350	59,718,580	145,298,703	581,194,812	826,492,243	2,437,031,077	33.91%	52.71
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

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

The assessed value of real property (including public utility real property is 35% of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment. General business inventory tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 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%, the 2 1/2% and the homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% 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 Calendar Years

Collection Year	Effective Rates		Elyria School Levy	City of Elyria Levy	Lorain County Levy	JVS	Lorain Library District	Total Levy	Debt Service Included in total levy		
	Residential/ Agriculture	Commercial/ Industrial							County	Library	Total
	2008	\$ 49.54							\$ 57.30	\$ 63.30	\$ 5.20
2007	45.57	53.03	59.40	5.20	13.49	2.45	-	80.54	0.30	0.15	0.45
2006	49.35	56.46	56.48	5.20	13.49	2.45	0.15	77.77	0.30	0.15	0.45
2005	49.35	56.46	56.48	5.20	13.19	2.45	-	77.32	0.30	-	0.30
2004	49.35	56.46	56.73	4.20	12.89	2.45	-	76.27	0.30	-	0.30
2003	49.35	56.46	56.81	4.20	12.89	2.45	-	76.35	0.30	-	0.30
2002	49.35	56.46	57.09	4.20	12.89	2.45	-	76.63	0.30	-	0.30
2001	49.35	56.46	57.11	11.00	10.79	2.45	-	81.35	0.30	-	0.30
2000	49.35	56.46	52.71	11.00	10.79	2.45	-	76.95	0.30	-	0.30
1999	49.35	56.46	52.71	11.00	10.79	2.45	-	76.95	0.30	-	0.30

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Source: Lorain County Auditor

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
Last Ten Calendar Years (1)

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 Taxes Receivable
1998	\$ 20,804,376	\$ 20,242,177	97.30%	\$ 496,193	\$ 20,738,370	99.68%	\$ 562,199
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

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 2008 information cannot be presented because all collections have not been made by June 30, 2008.
- (3) The County does not identify delinquent tax collections by tax year.

Elyria City School District

Principal Taxpayers

Real Estate Tax

2008 and 1999¹

<u>Name of Taxpayer</u>	<u>2008</u>			<u>1999</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>
Centro Midway, LLC	\$ 15,708,930	1	1.70%	\$ -		0.00%
New Plan of Midway Inc.	7,940,470	2	0.86%	-		0.00%
First Interstate of Elyria	6,235,690	3	0.67%	5,788,530	7	1.34%
HK New Plan Exchange	3,768,600	4	0.41%	-		0.00%
Elyria United	3,416,480	5	0.37%	-		0.00%
Invacare Corporation	3,371,600	6	0.36%	4,702,150	10	1.09%
Midway Realty Company	3,278,040	7	0.35%	-		0.00%
Dayton Hudson	3,115,670	8	0.34%	-		0.00%
Home Depot	2,991,170	9	0.32%	-		0.00%
Sears Roebuck & Company	2,880,220	10	0.31%	-		0.00%
Totals	<u>\$ 52,706,870</u>		<u>5.69%</u>	<u>\$ 10,490,680</u>		<u>2.44%</u>
Total assessed valuation	<u>\$ 926,115,890</u>			<u>\$ 430,440,440</u>		

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

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based.

Elyria City School District

Principal Taxpayers

Tangible Personal Property Tax

2008 and 1999¹

Name of Taxpayer	2008			1999		
	Assessed Value	Rank	Percent of Tangible Personal Property Assessed Value	Assessed Value	Rank	Percent of Tangible Personal Property Assessed Value
Windstream Ohio, Inc.	\$ 3,792,180	1	10.67%	\$ -		0.00%
Ridge Tool Company	2,466,960	2	6.94%	12,169,180	4	8.38%
BASF Catalysts LLC	2,144,220	3	6.03%	-		0.00%
Diamond Products Limited	1,521,250	4	4.28%	5,199,020	8	3.58%
Parker Hannifin	1,124,970	5	3.17%	-		0.00%
Polyone Corporation	954,860	6	2.69%	-		0.00%
Invacare Corporation	804,440	7	2.26%	4,702,150	10	3.24%
Crane Co.	734,670	8	2.07%	-		0.00%
Arnco Corporation	670,550	9	1.89%	-		0.00%
Rhenium Alloys Inc.	629,350	10	1.77%	-		0.00%
Totals	<u>\$ 14,843,450</u>		<u>41.77%</u>	<u>\$ 22,070,350</u>		<u>15.19%</u>
Total assessed valuation	<u>\$ 35,539,997</u>			<u>\$ 145,298,703</u>		

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

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based.

Elyria City School District

Principal Taxpayers

Public Utilities Tax

2008 and 1999¹

Name of Taxpayer	2008 (2)			1999		
	Assessed Value	Rank	Percent of Public Utility Assessed Value	Assessed Value	Rank	Percent of Public Utility Assessed Value
Ohio Edison	\$ 14,517,360	1	72.03%	\$ 26,419,940	1	50.27%
Columbia Gas of Ohio	2,226,980	2	11.05%	-		0.00%
American Transmission	2,134,640	3	10.59%	-		0.00%
Norfolk Southern Combined Railroad Subsidiaries	655,930	4	3.25%	-		0.00%
Columbia Gas Transmission	648,070	5	3.22%	-		0.00%
Alltel Ohio Inc.	-	6	0.00%	17,372,760	2	33.06%
Totals	<u>\$ 20,182,980</u>		<u>100.14%</u>	<u>\$ 43,792,700</u>		<u>83.33%</u>
Total assessed valuation	<u>\$ 20,155,070</u>			<u>\$ 52,552,350</u>		

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

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based.

Elyria City School District

Ratio of Debt to Assessed Value and Debt per Capita

Last Ten Fiscal Years

Fiscal Year	Population ¹	Assessed 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	General Debt Per Capita	Percentage of Personal Income
1999	56,746	\$ 826,492,243	\$ 2,195,000	\$ 565,649	\$ 1,629,351	0.20%	28.71	-	2,195,000	0.27%	\$38.68	0.78%
2000	56,746	838,354,210	1,935,000	576,148	1,358,852	0.16%	23.95	-	1,935,000	0.23%	34.10	0.93%
2001	55,953	955,009,650	1,660,000	664,300	995,700	0.10%	17.80	-	1,660,000	0.17%	29.67	1.07%
2002	55,953	944,178,930	1,360,000	855,140	504,860	0.05%	9.02	-	1,360,000	0.14%	24.31	1.27%
2003	55,953	955,591,300	1,050,000	734,399	315,601	0.03%	5.64	-	1,050,000	0.11%	18.77	1.50%
2004	55,953	994,115,099	720,000	540,747	179,253	0.02%	3.20	139,216	859,216	0.09%	15.36	1.88%
2005	55,953	994,115,099	370,000	329,415	40,585	0.00%	0.73	71,167	441,167	0.04%	7.88	3.76%
2006	55,953	959,946,169	-	27,183	(27,183)	0.00%	(0.49)	6,460,321	6,460,321	0.67%	115.46	0.26%
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%	194.51	0.18%
2008	55,953	981,810,957	44,999,971	545,755	44,454,216	4.53%	794.49	5,300,568	50,300,539	5.12%	898.98	0.04%

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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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Tax Valuation	<u>\$ 826,492,243</u>	<u>\$ 838,354,210</u>	<u>\$ 955,009,650</u>	<u>\$ 944,178,930</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>74,384,302</u>	<u>75,451,879</u>	<u>85,950,869</u>	<u>84,976,104</u>
Amount of Debt Applicable to Debt Limit				
Bonds	2,195,000	1,935,000	1,660,000	1,360,000
Bond anticipation notes	-	-	-	-
Less Amount Available in Debt Service	<u>(565,649)</u>	<u>(576,148)</u>	<u>(664,300)</u>	<u>(855,140)</u>
Amount of Debt Subject to Limit	<u>1,629,351</u>	<u>1,358,852</u>	<u>995,700</u>	<u>504,860</u>
Legal Debt Margin	<u>\$ 72,754,951</u>	<u>\$ 74,093,027</u>	<u>\$ 84,955,169</u>	<u>\$ 84,471,244</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.81%	98.20%	98.84%	99.41%
Unvoted Debt Limit - .10% of Taxable Valuation	\$ 826,492	\$ 838,354	\$ 955,010	\$ 944,179
Amount of Debt Subject to Limit	-	-	-	-
Unvoted Legal Debt Margin	<u>\$ 826,492</u>	<u>\$ 838,354</u>	<u>\$ 955,010</u>	<u>\$ 944,179</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	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.

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>\$ 955,591,300</u>	<u>\$ 994,115,099</u>	<u>\$ 994,115,099</u>	<u>\$ 959,946,169</u>	<u>\$ 1,028,387,831</u>	<u>\$ 981,810,957</u>
<u>86,003,217</u>	<u>89,470,359</u>	<u>89,470,359</u>	<u>86,395,155</u>	<u>92,554,905</u>	<u>88,362,986</u>
1,050,000	720,000	370,000	-	-	44,999,971
-	-	-	-	5,000,000	-
<u>(734,399)</u>	<u>(540,747)</u>	<u>(329,415)</u>	<u>(27,183)</u>	<u>(27,183)</u>	<u>(545,755)</u>
<u>315,601</u>	<u>179,253</u>	<u>40,585</u>	<u>(27,183)</u>	<u>4,972,817</u>	<u>44,454,216</u>
<u>\$ 85,687,616</u>	<u>\$ 89,291,106</u>	<u>\$ 89,429,774</u>	<u>\$ 86,422,338</u>	<u>\$ 87,582,088</u>	<u>\$ 43,908,770</u>
99.63%	99.80%	99.95%	100.03%	94.63%	49.69%
\$ 955,591	\$ 994,115	\$ 994,115	\$ 959,946	\$ 1,028,388	\$ 981,811
-	-	-	-	-	-
<u>\$ 955,591</u>	<u>\$ 994,115</u>	<u>\$ 994,115</u>	<u>\$ 959,946</u>	<u>\$ 1,028,388</u>	<u>\$ 981,811</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Elyria City School District
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2008

	Debt Attributable to Governmental Activities	Percentage Applicable to School District ¹	Amount of Direct and Overlapping Debt
Direct Debt:			
Payable from Property Taxes Elyria City School District	\$ 44,999,971	100.00%	\$ 44,999,971
Overlapping:			
Lorain County	\$ 35,140,832	14.44%	\$ 5,074,336
City of Lorain	19,439,494	0.23%	44,711
City of Elyria	37,816,625	91.40%	34,564,395
Amherst Township	-	5.88%	-
Carlisle Township	1,020,000	1.07%	10,914
Elyria Township	16,700	98.72%	16,486
Lorain County Career Center JVSC	-	16.68%	-
Lorian County Community College	-	14.44%	-
Lorian County Health District	-	2.22%	-
Lorian County Metro Park District	-	14.44%	-
Lorian County Regional Airport Authority	-	14.44%	-
Lorian County Rural Water Authority	-	0.16%	-
Lorian Port Authority	-	14.44%	-
Total Overlapping Debt	<u>93,433,651</u>	100.00%	<u>39,710,842</u>
Total Direct and Overlapping Debt	<u>\$ 138,433,622</u>		<u>\$ 84,710,813</u>

Source: Ohio Municipal Advisory Council and Elyria City School District

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

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2008 collection year.

Elyria City School District
Demographic and Economic Statistics
Last Ten Years

Year	Elyria CSD Area Population (1)	Geauga County Population	Personal Income (2) (in thousands)	Per Capita Personal Income (in thousands)	Unemployment Rate (3)	Median Income
1999	56,746	87,913	\$ 976,736,160	\$ 17,212	5.40%	\$ 26,227
2000	56,746	89,598	1,022,980,574	18,027	5.20%	28,732
2001	55,953	90,895	989,915,608	17,692	5.50%	27,184
2002	55,953	91,804	966,261,015	17,269	6.10%	27,969
2003	55,953	92,722	879,667,017	15,722	6.40%	27,400
2004	55,953	93,941	906,077,970	16,194	6.30%	27,045
2005	55,953	94,602	928,635,316	16,597	6.20%	26,872
2006	55,953	95,218	933,798,217	16,689	6.00%	27,248
2007	55,953	95,218	n/a	19,344 a	6.00%	26,559
2008	55,953	95,218	n/a	19,344 a	7.80%	27,244

Sources: (1) U.S. 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.

Elyria City School District

Principal Employers

2007 and 1999 (1)

Employer	Nature of Business	2007		1999	
		Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Lorain County	Government	2,360	7.97%	2,098	7.18%
Ford Motor Company	Manufacturer	1,922	6.49%	2,925	10.01%
Community Health Partners	Medical	1,790	6.05%	2,069	7.08%
EMH Regional Medical Center	Medical	1,602	5.41%	1,300	4.45%
Invacare Corp.	Medical	1,405	4.75%	1,400	4.79%
Lorain City Schools	Education	1,180	3.99%	1,100	3.76%
Republic Engineered Products Inc.	Manufacturing	1,100	3.72%	n/a	0.00%
State of Ohio	Government	1,052	3.55%	n/a	0.00%
Oberlin College	Education	980	3.31%	920	3.15%
Elyria City Schools	Education	850	2.87%	956	3.27%
Total		<u>11,881</u>	<u>27.46%</u>	<u>8,794</u>	<u>20.08%</u>
Total employment within the School District		29,600		29,235	

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

(1) The information was not available for 2008.

Elyria City School District

**School District Employees by Function/Program
Last Five Fiscal Years**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Regular instruction					
Elementary classroom teachers	275.34	286.50	294.44	214.30	204.70
High school classroom teachers	97.82	99.68	101.50	170.20	160.60
Special instruction					
Elementary classroom teachers	45.30	48.49	50.42	72.50	70.26
Supplemental Service Teacher	9.70	9.50	11.50	27.60	29.77
High school classroom teachers	20.40	22.50	23.00	37.00	37.00
Vocational instruction					
High school classroom teachers	2.00	2.00	2.00	2.00	4.00
Pupil support services					
Adapted Physical Education Therapist	2.00	2.50	2.40	1.60	1.60
Curriculum Specialist	2.00	2.00	2.00	2.00	2.00
Educational Services Teacher	6.20	6.00	7.80	9.20	9.10
Guidance counselors	1.00	1.00	32.00	27.20	29.00
Librarians	2.00	1.00	9.00	27.90	21.00
Nurse	0.67	0.67	5.00	5.00	5.00
Occupational Therapist	5.00	5.00	5.00	5.00	5.00
Other Professional - Educational	9.20	10.60	12.00	27.00	27.00
Physical Therapist	2.00	3.00	3.00	3.00	3.00
Psychologists	1.00	1.00	17.00	8.80	8.75
Remedial Specialist	26.00	29.50	30.14	32.50	28.50
Social Work	1.00	1.00	1.00	4.20	4.29
Speech and language pathologists	8.70	9.68	10.36	11.00	10.92
Teacher Mentor/Evaluator	12.00	12.00	12.00	15.00	35.00
Tutor/Small Group Instructor	28.40	29.50	31.01	16.00	24.60
Administrators					
Elementary	22.00	22.10	23.00	23.00	15.00
High school	18.00	20.00	22.00	22.00	11.00
Operation of plant					
Custodians	5.00	5.00	5.00	56.50	56.25
Maintenance	2.00	2.00	2.00	16.00	17.00
Pupil transportation					
Bus drivers	44.00	48.00	45.00	45.00	45.00
Food service program					
Elementary cooks	12.50	14.00	12.00	53.60	53.83
High school cooks	5.00	5.00	5.00	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>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Elyria High School					
Constructed in 1894					
Total building square footage	247,207	247,207	247,207	247,207	247,207
Enrollment grades 9-12	2,099	1,771	2,044	2,022	1,886
Student capacity	1,832	1,832	1,832	1,832	1,832
Eastern Heights Junior High School					
Constructed in 1969					
Total building square footage	74,820	74,820	74,820	74,820	74,820
Enrollment grades 7 - 8	432	412	405	380	411
Student capacity	601	601	601	601	601
Northwood Junior High school					
Constructed in 1961					
Total building square footage	76,076	76,076	76,076	76,076	76,076
Enrollment grades 7 - 8	492	444	436	475	490
Student capacity	487	487	487	487	487
Westwood Junior High School					
Constructed in 1970					
Total building square footage	93,226	93,226	93,226	93,226	93,226
Enrollment grades 7 - 8	416	397	421	413	407
Student capacity	466	466	466	466	466
Hilltop Academy					
Constructed in 2001					
Total building square footage	n/a	n/a	15,745	15,745	15,745
Enrollment grades 6 - 9	n/a	n/a	20	29	33
Student capacity					
Cascade Elementary					
Constructed in 1929					
Total building square footage	35,472	35,472	35,472	35,472	35,472
Enrollment grades K - 6	443	396	403	366	352
Student capacity	550	550	550	550	550
Crestwood Elementary					
Constructed in 1955					
Total building square footage	45,018	45,018	45,018	45,018	45,018
Enrollment grades K - 6	507	468	455	447	427
Student capacity	625	625	625	625	625

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
247,207	247,207	247,207	247,207	247,207
1,977	2,010	2,059	2,087	2,008
1,832	1,832	1,832	1,832	1,832
74,820	74,820	74,820	74,820	74,820
410	397	410	374	362
601	601	601	601	601
76,076	76,076	76,076	76,076	76,076
485	433	409	407	420
487	487	487	487	487
93,226	93,226	93,226	93,226	93,226
438	418	393	377	386
466	466	466	466	466
15,745	15,745	15,745	15,745	15,745
31	25	26	19	24
35,472	35,472	35,472	35,472	35,472
351	333	295	248	250
550	550	550	550	550
45,018	45,018	45,018	45,018	45,018
434	381	374	348	307
625	625	625	625	625

Elyria City School District

Building Statistics

Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Eastgate Elementary					
Constructed in 1961					
Total building square footage	38,957	38,957	38,957	38,957	38,957
Enrollment grades K - 6	258	347	383	358	337
Student capacity	575	575	575	575	38,957
Ely Elementary					
Constructed in 1920					
Total building square footage	66,174	66,174	66,174	66,174	66,174
Enrollment grades K - 6	529	545	461	442	426
Student capacity	550	550	550	550	550
Erie Elementary					
Constructed in 1969					
Total building square footage	36,183	36,183	36,183	36,183	36,183
Enrollment grades K - 6	356	295	297	306	310
Student capacity	375	375	375	375	375
Franklin Elementary					
Constructed in 1950					
Total building square footage	74,275	74,275	74,275	74,275	74,275
Enrollment grades K - 6	471	397	389	398	307
Student capacity	800	800	800	800	800
McKinley Elementary					
Constructed in 1907					
Total building square footage	40,273	40,273	40,273	40,273	40,273
Enrollment grades K - 6	421	367	384	352	343
Student capacity	550	550	550	550	550
Oakwood Elementary					
Constructed in 1961					
Total building square footage	35,556	35,556	35,556	35,556	500
Enrollment grades 1 - 6	381	353	363	350	360
Student capacity	450	450	450	450	450
Prospect Elementary					
Constructed in 1965					
Total building square footage	39,401	39,401	39,401	39,401	39,401
Enrollment grades K - 6	421	387	401	381	367
Student capacity	500	500	500	500	500

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
38,957	38,957	38,957	38,957	38,957
334	305	282	277	317
38,957	38,957	38,957	38,957	38,957
66,174	66,174	66,174	66,174	66,174
415	398	361	350	366
550	550	550	550	550
36,183	36,183	36,183	36,183	36,183
316	299	283	275	267
375	375	375	375	375
74,275	74,275	74,275	74,275	74,275
274	270	293	321	382
800	800	800	800	800
40,273	40,273	40,273	40,273	40,273
351	353	346	362	388
550	550	550	550	550
500	500	500	500	500
364	370	360	350	308
450	450	450	450	450
39,401	39,401	39,401	39,401	39,401
381	354	344	316	303
500	500	500	500	500

(continued)

Elyria City School District

Building Statistics

Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Roosevelt Elementary					
Constructed in 1922					
Total building square footage	61,861	61,861	61,861	61,861	61,861
Enrollment grades K - 6	494	396	470	449	448
Student capacity	650	650	650	650	650
Windsor Elementary					
Constructed in 1963					
Total building square footage	49,201	49,201	49,201	49,201	49,201
Enrollment grades K - 6	474	435	443	426	409
Student capacity	675	675	675	675	675
Kindergarten Village					
Constructed in 1999					
Total building square footage	111,369	111,369	111,369	111,369	111,369
Enrollment grades K - 1	218	293	313	314	311
Student capacity					
Spring Valley Early Childhood Center					
Constructed in 1996					
Total building square footage	28,785	28,785	28,785	28,785	28,785
Enrollment grades n/a	94	64	43	44	41
Student capacity					

Source: School District Records.

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
61,861	61,861	61,861	61,861	61,861
461	406	345	341	345
650	650	650	650	650
49,201	49,201	49,201	49,201	49,201
408	417	426	398	386
675	675	675	675	675
111,369	111,369	111,369	111,369	111,369
324	318	305	335	353
28,785	28,785	28,785	28,785	28,785
44	43	41	85	244

Elyria City School District

Operating Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>
1999	n/a	8,276	n/a	n/a	460	18.0
2000	n/a	8,105	n/a	n/a	498	16.3
2001	n/a	8,155	n/a	n/a	552	14.8
2002	n/a	7,869	n/a	n/a	556	14.2
2003	\$ 78,566,885	7,960	\$ 9,870	n/a	561	14.2
2004	77,609,350	7,745	10,021	1.52%	537	14.4
2005	82,658,894	7,571	10,918	8.95%	536	14.1
2006	80,141,584	7,352	10,901	-0.16%	491	15.0
2007	85,861,525	7,585	11,320	3.85%	491	15.4
2008	85,796,656	7,315	11,729	3.61%	483	15.1

Source: School District Records.

Elyria City School District

Teachers' Salaries

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Average Salary (2)</u>	<u>Average Salary Comparable Districts (3)</u>	<u>Statewide Average Salary (4)</u>
1999	\$ 26,852	\$ 37,854	n/a	n/a
2000	26,852	40,362	n/a	n/a
2001	28,912	41,854	\$ 47,745	\$ 42,995
2002	29,777	43,585	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	49,269	57,736	53,536
2008	31,155	52,548	58,390	53,410

Source: School District Records.

- (1) Starting teacher with no experience.
- (2) Teacher with a Masters degree and more than 30 year's experience.
- (3) Provided by the Ohio Department of Education.
- (4) Provided by the Ohio Department of Education.

Elyria City School District

Full-Time Equivalent Teachers by Education

Last Seven 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>
Bachelor's Degree	337	395	318	324	469	484	184
Master's Degree	288	267	263	216	271	300	421
Doctorate	3	5	2	2	3	3	4
Total	<u>628</u>	<u>667</u>	<u>583</u>	<u>542</u>	<u>743</u>	<u>787</u>	<u>609</u>

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

Elyria City School District

Enrollment Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>Total</u>
1999	4,837	3,439	8,276
2000	5,081	3,024	8,105
2001	4,849	3,306	8,155
2002	4,579	3,290	7,869
2003	4,766	3,194	7,960
2004	4,435	3,310	7,745
2005	4,313	3,258	7,571
2006	4,081	3,271	7,352
2007	4,420	2,857	7,277
2008	5,261	2,054	7,315

Source: Ohio Department of Education

Elyria City School District
Nutrition Services - Facts and Figures
Last Ten Fiscal Years

	<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>	<u>1999</u>
Average daily membership	7,412	7,600	7,640	7,663	7,883	8,058	7,963	8,258	8,390	7,957
Total students eligible for free lunch	3,495	3,479	3,352	3,291	2,946	2,736	2,530	2,388	2,475	2,471
Participation percent	47%	46%	44%	43%	37%	34%	32%	29%	29%	31%
Total students eligible for reduced lunch	623	699	663	677	757	702	756	713	727	670
Participation percent	8%	9%	9%	9%	10%	9%	9%	9%	9%	8%
Total both plans	<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>	<u>3,141</u>

Source: Ohio Department of Education.

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

<u>Fiscal Year</u>	<u>Elyria CSD Average</u>	<u>State Average</u>
1999	17.99	18.60
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	16.60	18.60

Source: Ohio Department of Education

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

<u>Fiscal Year</u>	<u>Elyria City LSD Attendance Rate</u>	<u>State Average</u>	<u>Elyria City LSD Graduation Rate</u>	<u>State Average</u>
1999	92.60%	93.50%	65.50%	80.60%
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%	n/a	n/a

Source: Ohio Department of Education Local Report Cards.

n/a - information is not available at this time.



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 24, 2009**