

**Elyria City  
School District  
Lorain County, Ohio**

\* \* \* \*

*Report Letters*

***June 30, 2011***

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# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Elyria City School District, Lorain County, prepared by Rea & Associates, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

March 15, 2012



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

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December 29, 2011

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Elyria City School District, Lorain County, Ohio (the School District) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

Management of the School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School 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 School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

**Compliance and Other Matters**

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

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

*Hea & Associates, Inc.*



December 29, 2011

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Compliance**

We have audited the compliance of Elyria City School District, Lorain County, Ohio (the School District) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The School 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 each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item # 2011-01.

### **Internal Control over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item # 2011-01 be a significant deficiency.

### **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Elyria City School District, Lorain County, Ohio as of and for the year ended June 30, 2011, and have issued our report thereon dated December 29, 2011. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The School District management'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 School District management's response and, accordingly, we express no opinion on it.

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

**ELYRIA CITY SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Year	Federal Receipts	Federal Disbursements
<b>U. S. Department of Education</b>				
<i>Passed Through Ohio Department of Education:</i>				
<i>Title I Cluster:</i>				
Title I	84.010	2010	\$ 293,885	\$ 364,087
Title I	84.010	2011	2,280,414	2,107,936
ARRA - Title I	84.389	2010	0	105,082
ARRA - Title I	84.389	2011	658,308	629,798
Title I - School Improvement	84.010	2010	30,136	28,958
Title I - School Improvement	84.010	2011	137,660	129,406
ARRA - Title I - School Improvement	84.389	2011	12,257	30,586
Total Title I Cluster			3,412,661	3,395,853
Title II-A - Improving Teacher Quality	84.367	2010	77,604	58,754
Title II-A - Improving Teacher Quality	84.367	2011	487,386	428,122
Total Title II-A - Improving Teacher Quality			564,990	486,876
<i>Special Education Cluster:</i>				
IDEA Part B	84.027	2010	242,847	251,476
ARRA - IDEA Part B	84.391	2010	0	94,457
IDEA Part B	84.027	2011	1,653,452	1,551,592
ARRA - IDEA Part B	84.391	2011	873,834	901,722
Total IDEA Part B			2,770,133	2,799,247
Early Childhood Special Education	84.173	2010	12,994	9,207
Early Childhood Special Education	84.173	2011	43,794	49,786
ARRA - Early Childhood Special Education	84.392	2010	7,102	12,289
ARRA - Early Childhood Special Education	84.392	2011	32,510	32,140
Total Early Childhood Special Education			96,400	103,422
Total Special Education Cluster			2,866,532	2,902,669
Safe and Drug-Free Schools	84.186	2011	12,260	20,367
<i>Education Technology State Grants Cluster:</i>				
Education Technology State Grant	84.318	2010	14,880	19,880
ARRA - Education Technology State Grant	84.386	2010	22,030	9,625
Education Technology State Grant	84.318	2011	22,801	23,051
ARRA - Education Technology State Grant	84.386	2011	247,945	351,762
Total Education Technology State Grants Cluster			307,657	404,318
Title III - LEP	84.365	2010	1,152	1,936
Title III - LEP	84.365	2011	21,461	19,679
Total Title III Grants			22,612	21,615
ARRA - State Fiscal Stabilization Fund	84.394	2010		107,049
ARRA - State Fiscal Stabilization Fund	84.394	2011	2,662,248	2,180,952
Total State Fiscal Stabilization Fund			2,662,248	2,288,001
Education Jobs	84.410	2011	722,645	612,922
<i>Total U.S. Department of Education</i>			\$ 10,571,605	\$ 10,132,621

*(Continued)*

**ELYRIA CITY SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS - CASH BASIS (continued)**  
**FOR THE YEAR ENDED JUNE 30,2011**

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Year	Federal Receipts	Federal Disbursements
<b>U. S. Department of Agriculture</b>				
<i>Passed Through the Ohio Department of Education:</i>				
<i>Child Nutrition Cluster:</i>				
<i>Non-Cash Assistance:</i>				
National School Lunch Program (Food Distribution) (A)	10.555	2010	\$ 177,459	\$ 177,459
<i>Cash Assistance:</i>				
Summer Food Program (B)	10.559	2011	102,270	102,270
School Breakfast Program (B)	10.553	2011	596,074	596,074
National School Lunch Program (B)	10.555	2011	1,646,455	1,646,455
Total Child Nutrition Cluster			<u>2,522,258</u>	<u>2,522,258</u>
<i>Total U.S. Department of Agriculture</i>			<u>2,522,258</u>	<u>2,522,258</u>
<b>U. S. Department of Health and Human Services</b>				
<i>Passed Through the Ohio Department of MRDD:</i>				
<i>Medical Assistance Program</i>				
Community Alternative Funding System (D)	93.778	n/a	212,382	0
<i>Total U.S. Department of Health and Human Services</i>			<u>212,382</u>	<u>0</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 13,306,245</u>	<u>\$ 12,654,879</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

**ELYRIA CITY SCHOOL DISTRICT**  
*NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CASH BASIS*  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2011*

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**Note A - Food Donation Program**

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance and related expenditures are reported in this schedule at the value of the commodities received as assessed by the U.S. Department of Agriculture (entitlement value).

**Note B –Child Nutrition Cluster**

Federal money commingled with state subsidy reimbursements. It is assumed federal moneys are expended first.

**Note C – Medical Assistance Program**

The School District received \$212,382 of CAFS settlement in fiscal year 2011. The amount received relates to settlements for CAFS service provided during prior years.

**Note D - Transfers**

The School District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30 and spent by September 30). However, with Ohio Department of Education’s (ODE) approval, a School District can transfer unspent Federal assistance to the succeeding year, thus allowing the School District a total of 27 months to spend the assistance. During fiscal year 2011, ODE authorized the following transfers:

<u>CFDA Number / Grant Title</u>	<u>Grant Year</u>	<u>Transfer In</u>	<u>Transfer Out</u>
84.010 Title I	2011	\$ 14,498	
84.010 Title I	2010		\$ 14,498
84.389 ARRA Title I	2011	7,844	
84.389 ARRA Title I	2010		7,844
84.367 Title II-A: Improving Teacher Quality	2011	10,358	
84.367 Title II-A: Improving Teacher Quality	2010		10,358
84.318 Education Technology State Grant	2011	1	
84.318 Education Technology State Grant	2010		1
84.386 ARRA - Education Technology State Grant	2011	10,715	
84.386 ARRA - Education Technology State Grant	2010		10,715
84.365 Title III: LEP	2011	656	
84.365 Title III: LEP	2010		656
84.391 ARRA IDEA Part B	2011	56,207	
84.391 ARRA IDEA Part B	2010		56,207

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133, Section .505  
JUNE 30, 2011**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	Yes
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	Yes
(d) (1) (vii)	Major Programs (list):  Special Education Cluster  Title I Cluster  Education Technology Cluster  ARRA – State Fiscal Stabilization Fund  Education Jobs	CFDA #84.027, 84.173, 84.391, 84.392  CFDA #84.010, 84.389  CFDA #84.318, 84.386  CFDA #84.394  CFDA #84.410
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$379,646 Type B: All Others
(d) (1) (ix)	Low Risk Auditee?	YES

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

**None noted.**

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**Finding 2011-01**

**Non-compliance/Significant Deficiency – Special Tests and Provisions**

**Federal Program:** Special Education Cluster – Grants to States

**CFDA Number:** 84.027, 84.173, 84.391, and 84.392

**Federal Agency:** U.S. Department of Education

**Pass Through Entity:** Ohio Department of Education

**Criteria:** 34 CFR 324 sets the requirements for development, review and revision of Individualized Education Programs (IEP) for each child with a disability served by the public agency. The Board of Education has adopted policies requiring the administration to comply with and follow the Ohio Department of Education, Office of Exceptional Children’s model special education policies and procedures (OEC).

**Condition:** The OEC and Office of Early Learning and School Readiness conducted a review as part of its general supervision requirements under the Individuals with Disabilities Education Act (IDEA) and Am. Sub. HB1. The results of this review reported several noncompliance and procedural findings requiring corrective action relating to 34 CFR 324.

**Cause:** The OEC’s policies and procedures adopted by the Board of Education are not being consistently followed.

**Potential Effect:** The School District could be providing special education and related services to students that do not meet the requirements of the federal program.

**Recommendation:** The School should adopt internal review procedures to ensure all policies and procedures adopted by the Board of Education are being followed consistently. The School District management should ensure all corrective action steps required by the ODE review are implemented within one year from the date of the review.

**Management Response:** The special education department will work with ODE and follow the corrective action plan that has been established to correct the findings related to the IEP plans within the district.

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December 29, 2011

Elyria City School District  
42101 Griswold Road  
Elyria, Ohio 44035

### **Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on August 25, 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

*Rea & Associates, Inc.*

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# **Elyria City School District**

**ELYRIA, OHIO**

## **Comprehensive Annual Financial Report**

*For Fiscal Year Ended June 30, 2011*

**Issued by: Office of the Treasurer**

**Fred V. Stephens**  
*Treasurer*

# Elyria City School District

Elyria, Ohio



## Comprehensive Annual Financial Report

For the Fiscal Year Ended  
June 30, 2011

**ELYRIA CITY SCHOOL DISTRICT**

**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2011**

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**ELYRIA CITY SCHOOL DISTRICT**

**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2011**

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**ELYRIA CITY SCHOOL DISTRICT**

Comprehensive Annual Financial Report  
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**ELYRIA CITY SCHOOL DISTRICT**

Comprehensive Annual Financial Report  
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**ELYRIA CITY SCHOOL DISTRICT**

Comprehensive Annual Financial Report  
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# The Elyria City School District

*Ensuring that each child reaches his or her full potential*



**December 29, 2011**

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

As the Superintendent and Treasurer of the Elyria City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2011 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) statement Number 34 using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

## **GENERAL INFORMATION CONCERNING THE BOARD AND THE DISTRICT**

### The Reporting Entity

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

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

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

### The Board of Education and the Administration

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

The Superintendent of Schools (the "Superintendent"), appointed by the Board for a term not longer than five years, is the chief executive officer of the District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The current Superintendent, Mr. Paul M. Rigda, has been Superintendent since August 24, 2005; his current contract continues until September 30<sup>th</sup> 2015.

The Treasurer is the Chief Financial Officer of the Board and the District and is, pursuant to statutory requirements, appointed by the Board for a four-year term (following a probationary two-year term) and reports directly to the Board. The present Treasurer, Fred V. Stephens, has been Treasurer since January 1, 2004; his current contract continues until July 31, 2014.

### The District and Its Facilities

The Elyria City School District is located in the city of Elyria in Lorain County, Ohio. In fiscal year 2010-2011, there were students 7148 enrolled in the District compared to 7131 students enrolled in the previous year. The District currently operates ten (7) elementary schools, three (3) middle schools, one high school, and one special education pre-school. The District maintains one administrative facility that houses an all-day every day Kindergarten Village of 185 students, all central functions for the District including all maintenance functions and a central kitchen for its food service program. The District serves as the primary education provider for high incidence special education programs, which provide special curricula and skills programs for students from all of Lorain County and surrounding school districts.

## Employee Relations and Benefits

For FY11, the District employed 849 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2011, the District paid from its general and Poverty Based Assistance fund \$36,087,493 in salaries and \$11,962,512 in fringe benefits and other labor-related costs such as employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, life insurance and medical and dental insurance premiums. Both labor and benefit costs were reduced substantially from 2010.

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

A collective bargaining agreement with the Elyria Education Association (EEA) expires July 31, 2014. The collective bargaining agreement with the Elyria School Support Staff (ESSS) expires December 31, 2014.

The District provides medical health insurance coverage to its employees through Medical Mutual Insurance Company. The prescription drug program is provided to eligible employees through Caremark. The District provides life insurance and accidental death and dismemberment insurance to eligible employees through Medical Life. Dental insurance is provided to eligible employees through Delta Dental of Ohio and vision insurance is provided through VSP. All District employees participate in either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS). The District made required contributions for pension obligations to these Systems on behalf of its employees in the amount of \$6,198,428 during the 2011 fiscal year.

## **ECONOMIC CONDITION AND OUTLOOK**

### Taxes

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

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

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

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

The General Assembly 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 has continued to make revisions that have accelerated the elimination of the collection of tangible personal property.

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

#### School Foundation

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

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

During the fiscal year ended June 30, 2011, the School District received \$44,538,595 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 2011. The rate of unemployment, at the end of the fiscal year 2011, for the Elyria City area was 9.40%.

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

The District contains the "Westfield Shopping Town Midway" the largest retailing center in Lorain County and the largest retail mall between Cleveland and Toledo. The mall is anchored by four major department stores and two major discount stores. Construction completed in recent years

added six new retailing centers, The Home Depot, Dick's Sporting Goods, a major food chain store (Giant Eagle) and a large retail department store (Target). With the addition of these centers, the surrounding Westfield Mall area is developing specialty shops and the food service industry.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

### Curriculum Initiatives

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

### Classroom Technology

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

### District Academic Progress

- The Elyria City School District, one of the "Urban-21" districts in Ohio.
  - The district is ranked Effective on Ohio's Report Card and has a plan for improvement.
  - Elyria Schools boast nearly a 95% attendance rate and 93% graduation rate.
  - The district's student-to-teacher ratio is low: Kindergarten--21:1, Grade 1 through 3--22:1, and Grades 4 and above—25:1.

### Elyria High School

- Elyria High school provides its students with the benefits of being in a large high school but with a small school feel. Freshmen are placed on one of five academic teams that provide individualized attention. Each team has its own assistant principal and guidance counselors. The entire school is divided into four houses. Students remain in the same homeroom and house throughout high school.
- Elyria High School is being rebuilt into a state-of-the-art facility with high technology and many green features such as geothermal heating, eco-friendly roofing and windows.
- Elyria High School pilots many academic programs, such as a grant-funded recovery concept that keeps struggling students on track for graduation. Elyria High School graduates nearly 93% of its students in four years; this is up from 63% just 13 years ago. Many college preparatory courses and honors programs are offered.

### Academic Services

- Elyria City School district offers numerous academic programs, including honors and advanced placement courses, Gifted and Talented Education opportunities, comprehensive special education programming and services for English-as-a-second-language students.
- Elyria offers a very successful all-day kindergarten program at no additional cost to parents. The program enjoys tremendous success: students enrolled in Elyria’s all-day K program show significant achievement in reading and math well past kindergarten years.
- Elyria Schools offers an expansive preschool program.
- Elyria Schools offers more than 400 Smart boards in classrooms throughout the district. Smart boards are redefining how teachers teach and students learn: lesson plans are more interactive and students enjoy the hands-on approach to learning. The boards have helped improve students’ attention, classroom participation and behavior.
- Through state and federal funding, Elyria has been able to advance professional development, provide specialized instructors for key content areas, and gain access to sophisticated progress-monitoring technologies. Elyria teachers are 100% highly qualified and trained in many disciplines.

### Special Education

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

### Treasurers Department Focus

The Treasurer's office is working on continuously improving the department by increasing efficiency and effectiveness.

- Completed the process of converting treasurer and student records to electronic storage and retrieval.
- Use the District's updated web page as a community resource for Board of Education and Financial Service information on the District
- Board Policy manual was converted to an electronic file available to the public on our district website

### For the Future.

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

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

The District passed a bond issue for a new Elyria High School in FY2007 qualifying for the OSFC Exceptional Needs Program giving the district one third of the costs. Students moved to the academic wing for the 2011-2012 school year. The entire project is scheduled for completion in June 2012.

The State of Ohio approved a new OSFC project to replace all of the District elementary schools. Plans are in place to put a bond issue on the ballot for the local share.

## **FINANCIAL INFORMATION**

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

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

### Fiscal Management

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



## Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

## Budgetary Controls

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

## Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are

met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely derived from its implementation; and, (2) the valuation of cost and benefits requires estimates and judgments by management.

## **FINANCIAL CONDITION**

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

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

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

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

As a part of the new reporting model, management is responsible for preparing a discussion and analysis for the District. This discussion follows this letter of transmittal, providing an assessment of the District’s finances for 2011. Because that discussion focuses on major funds other non-major funds are discussed briefly in this letter.

*Financial Highlights – Internal Service Fund* The only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses is related to the provision of dental and medical benefits to the District employees. The District has implemented a medical self-insurance program. The internal service fund had net assets of \$1,439,860 for, FY 2011.

*Financial Highlights – Fiduciary Funds* The trust fund carried on the financial records of the District is a private purpose trust that has net assets totaling \$360,118 for FY, 2011.

## **Financial Policies**

The board has incorporated policies to improve the financial viability of the district both in the short and long term. For the last six years the administration has been working on a series of board approved cost reduction plans to keep revenue and expenses in line. The district uses the Five Year Forecast as a tool to plan for the future. The CFO develops the forecast in cooperation with the superintendent to project future outcomes. The board has regular presentations and discussions of our progress. The entire management team is in tune with the financial direction of the district.

This year we implemented (with the aid our joint health insurance committee) modifications that required increased deductibles, co-pays, and employee contributions that improved the financial stability of our self insurance program. Early retirement incentives were used to encourage senior employees at the top of the salary schedule to retire and replace them with less costly new teachers. The district has reduced the number of employees due to our decrease in enrollment and our financial condition for the last six years. To save cost and improve efficiency and effectiveness the board has closed and consolidated buildings to better fit the student population and adjust for demographic shifts. The unused buildings are in the process of being offered for sale. The remaining buildings are benefiting from the use of group purchasing and consortiums to save on natural gas, electricity and materials and supplies.

The new Elyria High School scheduled for final completion in 2012 is one of the first new schools that will earn the environmental LEEDS Certification. The school will use the latest in green technology to improve efficiency and protect the environment. The geothermal heating system will save the district on heating and cooling expense for the life for the school.

On the revenue side the board has focused on early passage of renewals with 100% success. New money was requested this year with a positive result creating a significant impact on our financial position.

Effective board policy and administration have resulted in improved outcomes for both income and expense for this year and in the future.

### **USE OF REPORT**

This report is published to provide the Board of Education, the citizens of the Elyria School District and other interested persons, detailed information concerning the financial condition of the District, with the particular emphasis placed on the utilization of resources during fiscal year 2011. Further, this report will serve as a guide to formulating policies and conducting the District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

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

### **OTHER INFORMATION**

Independent Audit: State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Either the Ohio State Auditor's office or an Independent Public Accountant (IPA) contracted by the State and the District may conduct the annual audit. The District requested and received permission from the State Auditor to contract with an (IPA) for completion of the annual audit for a three-year period. For the fiscal year ended June 30, 2011, Rea & Associates, Inc. completed the audit. The auditor's unqualified audit opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

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

### **AWARDS**

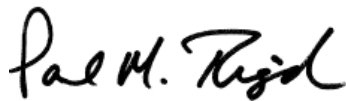
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Elyria Schools for its Comprehensive Annual Financial Report for the year ended June 30, 2010. In order to be awarded a Certificate of Achievement, 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, MariJane LaFleur, Julie Parker, Judith Peterson and Linda Saltis. We want to express our appreciation to all who assisted and contributed to its preparation. We would like to acknowledge all members of the Board of Education who have expressed their interest and support in planning and conducting the financial operations of the District in a fiscally responsible, professional and progressive manner.



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Paul M. Rigda  
Superintendent



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Fred V. Stephens  
Treasurer and Chief Financial Officer

## ***Elyria City School District, Ohio***

### ***Members of the Board of Education***

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

<b><i>Board Members</i></b>	<b><i>Began Service</i></b>	<b><i>Term Expires</i></b>
<b><i>Donald Boddy, Board President</i></b>	July 28, 1998	December 31, 2011
<b><i>Evelyn France, Board V.P.</i></b>	April 23, 1996	December 31, 2013
<b><i>Holly Brinda, Member</i></b>	January 1, 2000	December 31, 2011
<b><i>Kathryn Karpus, Member</i></b>	January 1, 2003	December 31, 2011
<b><i>Virginia Hawes, Member</i></b>	January 1, 2002	December 31, 2013

### **Superintendent of Schools**

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

### **Treasurer/Chief Financial Officer**

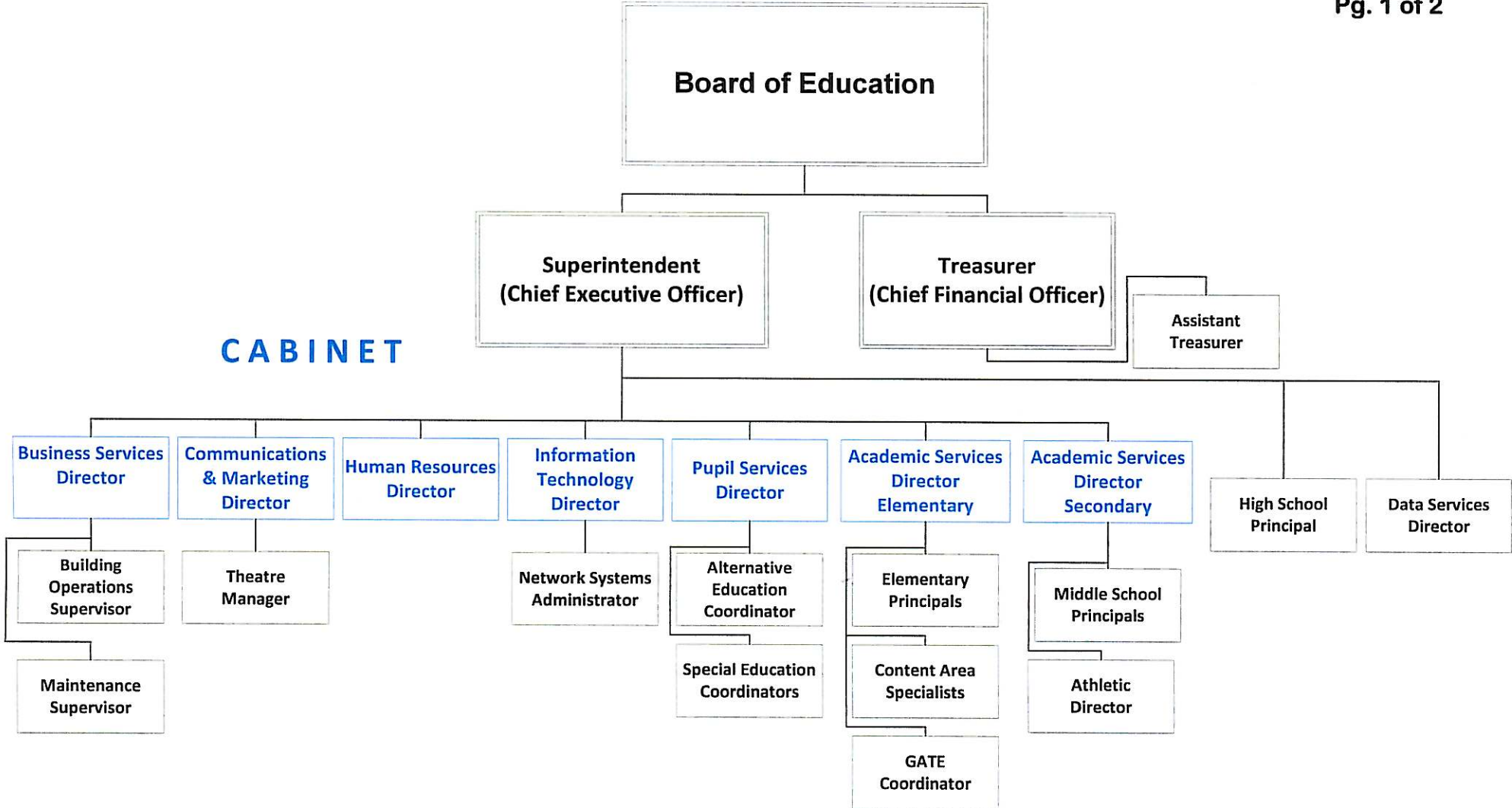
The Treasurer/Chief financial Officer serves as the fiscal officer of the District and, with the Board President, executes all conveyances made by the Board of Education. The Treasurer/Chief Financial Officer, Fred V. Stephens, has held the position since January 1, 2004.

**2010-2011 ELYRIA CITY SCHOOL DISTRICT, OHIO**

***Management Team***

Mr. Paul M. Rigda	Superintendent of Schools/CEO
Fred V. Stephens	Treasurer, Chief Financial Officer
Gordon Dupree	Associate Superintendent, Pupil Services
Gary Taylor	Director of Human Resources
Amy Higgins	Coordinator of Communications and Public Affairs
Dr. Mark Sutter	Director of Academic Services
Ann Schloss	Director of Teaching & Learning
Amy Keir	Content Area Specialist
Kathy Koepp	Content Area Specialist
Joanne Burgess	G.A.T.E. Coordinator, Gifted Program
Brian Kokai	Director of Technology
Dawn 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
Nikki McDaniels	Supervisor for Transportation, First Student
Darren Conley	Elyria High School Principal
Kimberly Benetto	Eastern Heights Middle School Principal
Brett Heighberger	Northwood Middle School Principal
Ramona Mendak	Westwood Middle School Principal
Sherri Parent	Crestwood Elementary Principal
Jack Dibee	Ely Elementary Principal

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



**ELYRIA CITY SCHOOLS  
ORGANIZATIONAL CHART**

CROSS REF.: CCB, Staff Relations and Lines of Authority  
 Adoption date: September 26, 2000  
 Re-adoption date: November 18, 2008  
 Re-adoption date: October 18, 2011



# 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, 2010

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.



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

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## **FINANCIAL SECTION**

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December 29, 2011

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

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Elyria City School District, Lorain County, Ohio (the School District), as of and for the year ended June 30, 2011 which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elyria City School District, Lorain County, Ohio, as of June 30, 2011, and the respective changes in financial position and the cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2011 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 16 are not a required part of the basic financial statements but are 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 required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

*Rea & Associates, Inc.*

Elyria City School District  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*

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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, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for 2011 are as follows:

- Net assets of governmental activities increased \$7,879,225, which represented a 26 percent increase from 2010. Net assets of business-type activities decreased by \$92,396 from 2010. Overall, the School District's net assets ended at \$38.5 million.
- For governmental activities, general revenues accounted for \$77,818,047 in revenue or 86 percent of all revenues. Program specific revenues in the form of charges for service and sales, grants, and contributions and interest accounted for \$12,871,891 or 14 percent of total revenues of \$90,689,938.
- The School District had \$82,810,713 in expenses related to governmental activities; \$12,871,891 of these expenses were offset by program specific revenues (charges for services, grants, or contributions and interest). General revenues (primarily state foundation and taxes) of \$77,818,047 were adequate to provide for these programs.
- The School District had \$3,054,940 in expenses related to business-type activities. Of these expenses \$2,962,370 were offset by program specific revenues (charges for services, grants, or contributions). Program revenues were not adequate to provide for these activities.
- The general fund, the main operating fund, had \$72,782,489 in revenues excluding other financing sources, and \$68,636,372 in expenditures. The general fund's balance increased \$4,153,412.

### **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 the School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net assets and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements 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 the School District, the general and classroom facilities funds are the most significant funds.

## **Reporting the School District as a Whole**

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

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

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

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

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

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

***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.



Elyria City School District  
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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 twenty-nine 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 twenty-nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

***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 29-61 of this report.

Elyria City School District  
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**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 \$38.5 million at the close of the most recent fiscal year. The table below provides a summary of the School District's net assets for 2011 and 2010:

	Governmental Activities		Business-Type Activities		Total	
	2011	Restated 2010	2011	2010	2011	Restated 2010
<b>Assets</b>						
Current and Other Assets	\$ 62,882,371	\$ 78,637,869	\$ 396,890	\$ 454,707	\$ 63,279,261	\$ 79,092,576
Capital Assets	75,281,160	56,347,427	99,920	121,836	75,381,080	56,469,263
<b>Total Assets</b>	<b>138,163,531</b>	<b>134,985,296</b>	<b>496,810</b>	<b>576,543</b>	<b>138,660,341</b>	<b>135,561,839</b>
<b>Liabilities</b>						
Current Liabilities	43,843,917	47,096,076	264,339	250,888	44,108,256	47,346,964
Long-term Liabilities	55,931,901	57,380,732	54,259	55,047	55,986,160	57,435,779
<b>Total Liabilities</b>	<b>99,775,818</b>	<b>104,476,808</b>	<b>318,598</b>	<b>305,935</b>	<b>100,094,416</b>	<b>104,782,743</b>
<b>Net Assets</b>						
Invested in Capital Assets						
Net of Related Debt	29,932,289	22,043,153	99,920	121,836	30,032,209	22,164,989
Restricted	9,160,296	13,992,045	0	0	9,160,296	13,992,045
Unrestricted (Deficit)	(704,872)	(5,526,710)	78,292	148,772	(626,580)	(5,377,938)
<b>Total Net Assets</b>	<b>\$ 38,387,713</b>	<b>\$ 30,508,488</b>	<b>\$ 178,212</b>	<b>\$ 270,608</b>	<b>\$ 38,565,925</b>	<b>\$ 30,779,096</b>

The decrease in cash is related to the increase in capital assets due to current year expenditures for construction in progress. Capital assets, net of related debt reported on the government-wide statements represents a large component of net assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, 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, \$9,160,296, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$1,077,092 is restricted for debt service payments, \$4,734,602 is restricted for capital projects, \$550,659 is restricted for other purposes, \$138,845 is restricted for state funded programs, \$1,765,686 is restricted for federally funded programs, \$205,720 is restricted for student activities and \$687,692 is restricted for set-asides. The remaining deficit balance of net assets of \$704,872 for governmental activities and positive balance of \$78,292 for business-type activities is unrestricted.

Elyria City School District  
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For the Fiscal Year Ended June 30, 2011

**Changes in Net Assets**

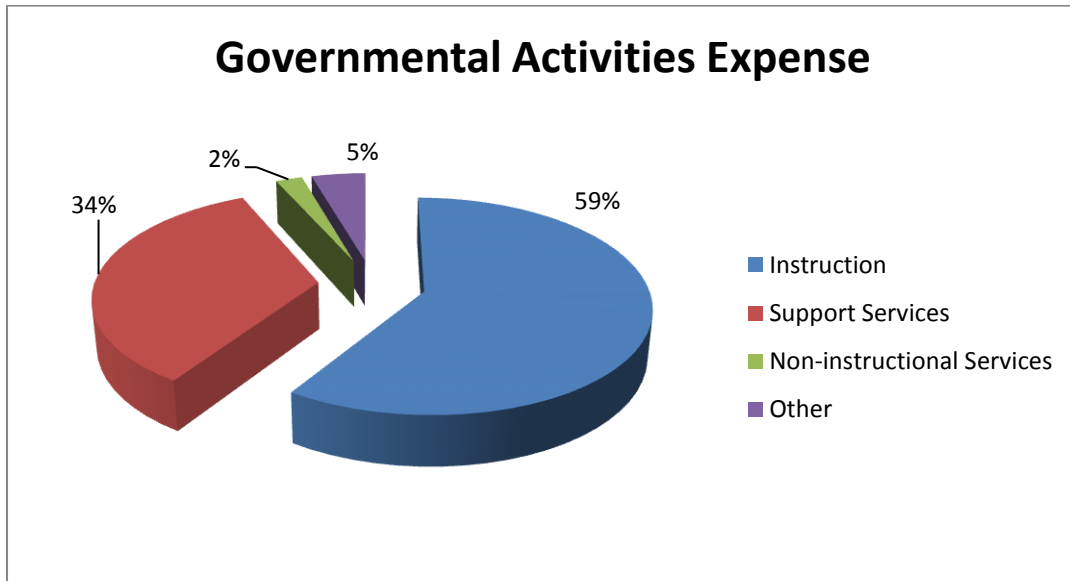
	Governmental Activities		Business-Type Activities		Totals	
	2011	2010 *	2011	2010	2011	2010
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for Services	\$ 2,004,961	\$ 2,080,269	\$ 627,723	\$ 647,176	\$ 2,632,684	\$ 2,727,445
Operating Grants	10,553,546	9,422,524	2,334,647	2,399,357	12,888,193	11,821,881
Capital Grants	313,384	1,745,879	0	0	313,384	1,745,879
<i>General Revenue:</i>						
Property Taxes	32,157,789	28,167,866	0	0	32,157,789	28,167,866
Grants and Entitlements	44,165,628	43,594,198	0	0	44,165,628	43,594,198
Investment Earnings	52,585	86,613	144	112	52,729	86,725
Miscellaneous	1,442,045	806,609	0	0	1,442,045	806,609
<b>Total Revenues</b>	<b>90,689,938</b>	<b>85,903,958</b>	<b>2,962,514</b>	<b>3,046,645</b>	<b>93,652,452</b>	<b>88,950,603</b>
<b>Program Expenses</b>						
<i>Instruction:</i>						
Regular	29,324,385	30,677,977	0	0	29,324,385	30,677,977
Special	11,056,358	11,252,236	0	0	11,056,358	11,252,236
Vocational	230,941	223,734	0	0	230,941	223,734
Adult	0	90,580	0	0	0	90,580
Student Intervention Services	295,731	362,338	0	0	295,731	362,338
Other	8,120,803	7,402,117	0	0	8,120,803	7,402,117
<i>Support Services:</i>						
Pupils	4,351,555	4,320,730	0	0	4,351,555	4,320,730
Instructional Staff	5,033,837	5,210,569	0	0	5,033,837	5,210,569
Board of Education	0	117,662	0	0	0	117,662
Administrative	5,274,119	4,698,220	0	0	5,274,119	4,698,220
Fiscal	1,803,790	1,758,975	0	0	1,803,790	1,758,975
Business	620,316	624,956	0	0	620,316	624,956
Operation and Maintenance of plant	6,538,866	5,869,301	0	0	6,538,866	5,869,301
Pupil Transportation	3,118,652	3,263,970	0	0	3,118,652	3,263,970
Central	1,476,442	1,316,634	0	0	1,476,442	1,316,634
Operation of Non-Instructional	1,838,111	1,434,159	0	0	1,838,111	1,434,159
Extracurricular Activities	1,253,432	1,320,365	0	0	1,253,432	1,320,365
Interest and Fiscal Charges	2,473,375	2,575,662	0	0	2,473,375	2,575,662
Lunchroom/cafeteria	0	0	3,054,910	2,898,273	3,054,910	2,898,273
<b>Total Expenses</b>	<b>82,810,713</b>	<b>82,520,185</b>	<b>3,054,910</b>	<b>2,898,273</b>	<b>85,865,623</b>	<b>85,418,458</b>
<b>Changes in Net Assets</b>	<b>\$ 7,879,225</b>	<b>\$ 3,383,773</b>	<b>\$ (92,396)</b>	<b>\$ 148,372</b>	<b>\$ 7,786,829</b>	<b>\$ 3,532,145</b>

\* 2010 was not restated for changes in fund structure noted in Note 4. These activities are deemed insignificant and would not impact the entity-wide analysis.

**Governmental Activities**

Governmental activities increased the School District's net assets by \$7,879,225, thereby accounting for 26 percent of the total increase in net assets of the School District. Key elements of this increase are as follows:

- Property tax revenues increased nearly \$4 million, from \$28.2 million in fiscal year 2010 to \$32.2 million in fiscal year 2011. This increase was due to the School District passing a new emergency operating levy in 2010 that is set to generate approximately \$4 million per year.
- Expenses of governmental activities increased during the current fiscal year, \$290,528.
- A review of the change in net assets table reflects that the total cost of instructional services was \$49,028,218 or 59 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 \$980,764, or 2 percent.
- Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$9,385,392 of the total governmental program expenses, or 11 percent. These expenses decreased over the prior year in the amount of \$145,907, or 2 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.

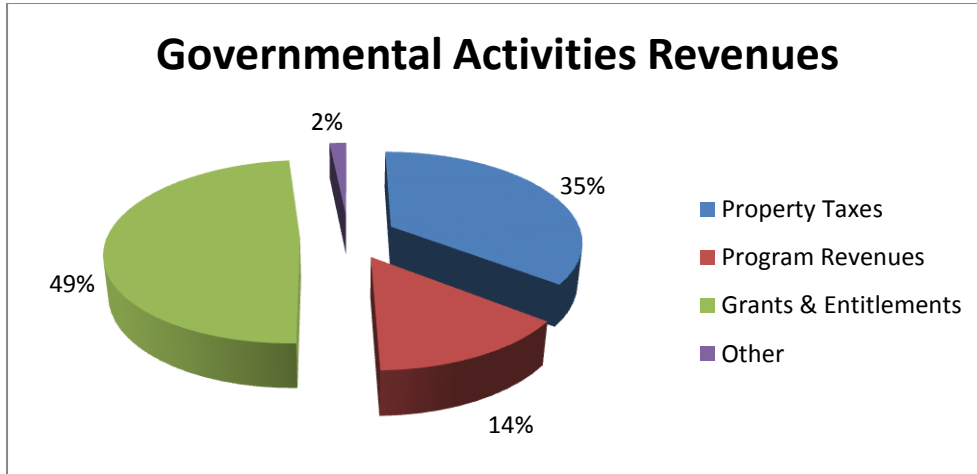
	<b>Program Expenses</b>					
	2011		2010 *		Net Change	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<b>Governmental Activities:</b>						
<i>Instructions</i>						
Regular	\$ 29,324,385	\$ (26,920,875)	\$ 30,677,977	\$ (27,199,146)	\$ 1,353,592	\$ 278,271
Special	11,056,358	(7,602,954)	11,252,236	(7,336,918)	195,878	(266,036)
Vocational	230,941	(114,488)	223,734	(108,148)	(7,207)	(6,340)
Adult	0	0	90,580	(90,580)	90,580	90,580
Student Intervention Services	295,731	(295,731)	362,338	(362,338)	66,607	66,607
Other	8,120,803	(8,120,803)	7,402,117	(7,402,117)	(718,686)	(718,686)
<i>Support Services:</i>						
Pupils	4,351,555	(3,182,023)	4,320,730	(3,891,529)	(30,825)	709,506
Instructional staff	5,033,837	(2,144,819)	5,210,569	(1,690,475)	176,732	(454,344)
Board of Education	0	0	117,662	(117,662)	117,662	117,662
Administration	5,274,119	(4,366,413)	4,698,220	(4,541,323)	(575,899)	174,910
Fiscal	1,803,790	(1,752,762)	1,758,975	(1,649,953)	(44,815)	(102,809)
Business	620,316	(620,316)	624,956	(624,956)	4,640	4,640
Operation and maintenance of plant	6,538,866	(6,225,842)	5,869,301	(5,781,987)	(669,565)	(443,855)
Pupil Transportation	3,118,652	(3,022,811)	3,263,970	(3,245,445)	145,318	222,634
Central	1,476,442	(1,377,883)	1,316,634	(1,259,856)	(159,808)	(118,027)
Operation on non-instructional services	1,838,111	(745,987)	1,434,159	(445,477)	(403,952)	(300,510)
Extracurricular Activities	1,253,432	(971,740)	1,320,365	(947,941)	66,933	(23,799)
Interest and fiscal charges	2,473,375	(2,473,375)	2,575,662	(2,575,662)	102,287	102,287
<b>Total Governmental Activities</b>	<b>82,810,713</b>	<b>(69,938,822)</b>	<b>82,520,185</b>	<b>(69,271,513)</b>	<b>(290,528)</b>	<b>(667,309)</b>
<b>Business-Type Activities:</b>						
Lunchroom/cafeteria	3,054,910	(92,540)	2,898,273	148,260	(156,637)	(240,800)
<b>Total Expenses</b>	<b>\$ 85,865,623</b>	<b>\$ (70,031,362)</b>	<b>\$ 85,418,458</b>	<b>\$ (69,123,253)</b>	<b>\$ (447,165)</b>	<b>\$ (908,109)</b>

\* 2010 was not restated for changes in fund structure noted in Note 4. These activities are deemed insignificant and would not impact the entity-wide analysis.

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The dependence upon tax revenues for governmental activities is apparent. The net cost of the programs of \$(69,938,822) was supported by mostly by property taxes and unrestricted grants and entitlements. Program revenues totaled \$12,871,891 accounting for 16 percent of all governmental expenses. Program revenues include charges for services, grants and contributions that are program specific. The community, as a whole, is the primary support for Elyria City School District students.



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

Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must return to voters to maintain a constant level of service. Property taxes made up 35 percent of revenue for governmental activities for Elyria City School District in fiscal year 2011, a 2 percent increase from the prior year.

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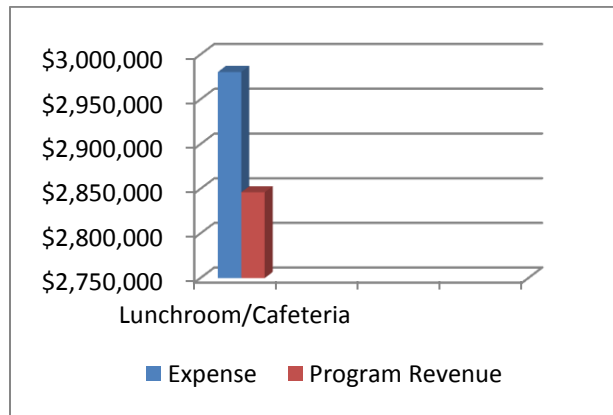
**Business-Type Activity**

Business-type activity decreased the School District's net assets by \$92,396. The only business-type activity for the School District was lunchroom/cafeteria. Key elements of this slight increase are as follows:

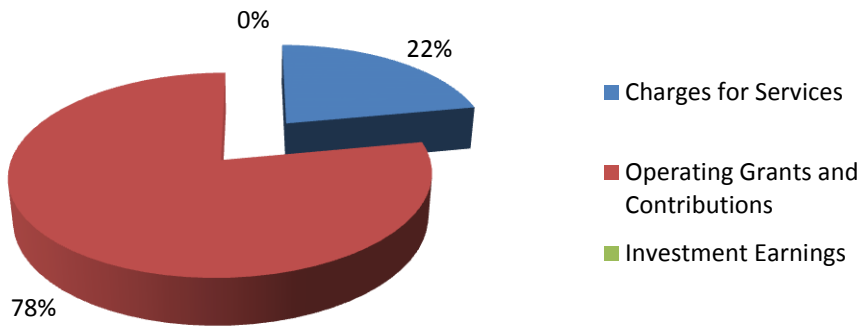
Charges for services and sales for 2011 decreased by \$19,453 and operating grants and contributions decreased \$64,710.

Expenses increased by \$156,637. This decrease was not due to any one particular expense.

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



**Business-Type Activities Revenues**



Elyria City School District  
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**Financial Analysis of the Governmental Funds**

**Governmental Funds** Information about the School District's governmental funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$90,825,532 and expenditures of \$103,741,828. The total governmental funds balance decreased \$12,916,296. The net change in governmental fund balance for the year was most significant in the classroom facilities fund, where the capital classroom facilities fund's fund balance decreased by \$15,973,495 for fiscal year 2011. This was due to not receiving more OSFC grant money than expended during the year.

	Fund Balance June 30, 2011	Restated Fund Balance June 30, 2010	Increase/ (Decrease)	Percent Change
General	\$ 3,659,130	\$ (494,282)	\$ 4,153,412	-840.29%
Classroom facilities	5,725,296	21,698,791	(15,973,495)	-73.61%
Other governmental	4,763,068	5,859,281	(1,096,213)	-18.71%
<b>Total</b>	<b>\$ 14,147,494</b>	<b>\$ 27,063,790</b>	<b>\$ (12,916,296)</b>	

The general fund is the chief operating fund of the School District. At the end of the current fiscal year, unassigned fund balance of the general fund was of \$1,314,738, while total fund balance increased to \$3,659,130. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. As of fiscal year ending June 30, 2011 both of these balances were in a positive position.



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**Change in Financial Activities for Governmental Funds**

	2011 Amount	2010 * Amount	Increase/ Decrease	Percent Change
<b>Revenues:</b>				
Property Taxes	\$ 32,065,632	\$ 29,384,209	\$ 2,681,423	9.13%
Intergovernmental	54,617,582	52,907,884	1,709,698	3.23%
Interest	136,125	540,613	(404,488)	-74.82%
Tuition and Fees	1,591,906	1,681,792	(89,886)	-5.34%
Extracurricular Activities	260,053	328,813	(68,760)	-20.91%
Gifts and Donations	450,744	1,833,837	(1,383,093)	-75.42%
Rent	75,965	87,314	(11,349)	-13.00%
Miscellaneous	592,730	794,580	(201,850)	-25.40%
<b>Total</b>	<b><u>\$ 89,790,737</u></b>	<b><u>\$ 87,559,042</u></b>	<b><u>\$ 2,231,695</u></b>	
<b>Expenditures:</b>				
Instruction	\$ 49,621,022	\$ 50,360,528	\$ (739,506)	-1.47%
Support Services	27,777,746	26,720,044	1,057,702	3.96%
Non-Instructional Services	1,824,142	1,467,175	356,967	24.33%
Extracurricular Activities	1,223,816	1,259,578	(35,762)	-2.84%
Capital Outlay	19,876,585	30,503,669	(10,627,084)	-34.84%
Debt Service	3,418,517	3,471,372	(52,855)	-1.52%
<b>Total</b>	<b><u>\$103,741,828</u></b>	<b><u>\$ 113,782,366</u></b>	<b><u>\$(10,040,538)</u></b>	

\* 2010 was not restated for changes in fund structure noted in Note 4. These activities are deemed insignificant and would not impact the entity-wide analysis.

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

Lunchroom/cafeteria net assets decreased slightly during the current fiscal year.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2011 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.

Elyria City School District  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2011

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For the general fund, budget basis revenue was \$74,359,216 (including other financing sources), which was the same as the original budget. The final amended budget appropriations of the general fund were \$74,606,018 (including other financing uses), which is \$5,998,182 more than original budget appropriations of \$68,607,836 which represents a 9 percent change.

Actual revenue for the general fund was \$74,612,955 (including other financing sources), which was an increase of \$253,739 as compared to the final budget estimate.

Actual expenditures for the general fund were \$74,090,760 (including other financing uses), which was a decrease of \$515,258 as compared to the final amended budget appropriations.

***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, 2011, amount to \$75.4 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was 34 percent, primarily from the construction in progress related to the OSFC project. The School District also sold three buildings and land. The business-type activities assets decreased by 18 percent due to depreciation expense.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land and improvements	\$ 6,002,904	\$ 6,114,851	\$ 0	\$ 0	\$ 6,002,904	\$ 6,114,851
Buildings and improvements	4,193,619	4,798,303	0	0	4,193,619	4,798,303
Furniture & equipment	657,126	743,087	99,920	121,836	757,046	864,923
Vehicles	119,425	19,664	0	0	119,425	19,664
Construction in progress	64,308,086	44,671,522	0	0	64,308,086	44,671,522
<b><i>Total capital assets, net</i></b>	<b><u>\$ 75,281,160</u></b>	<b><u>\$ 56,347,427</u></b>	<b><u>\$ 99,920</u></b>	<b><u>\$ 121,836</u></b>	<b><u>\$ 75,381,080</u></b>	<b><u>\$ 56,469,263</u></b>

Additional information on the School District's capital assets can be found in Note 10 of the basic financial statements.

***Debt Administration*** At June 30, 2011 the School District had general obligation bonds outstanding of \$44,837,324 (including accretion and premium), with \$710,000 due within one year. Also, the School District has capital lease obligations of \$4,830,417, with \$459,275 due within one year. The School District has budgeted to meet all of its debt requirements.

Additional information on the School District's debt administration can be found in notes 11 and 12 of the basic financial statements.

Elyria City School District  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*

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**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.

## Basic Financial Statements

**Elyria City School District**  
*Statement of Net Assets*  
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$ 24,180,852	\$ 277,487	\$ 24,458,339
Cash and Investments in Segregated Accounts	837,664	0	837,664
Receivables:			
Taxes	34,526,833	0	34,526,833
Accounts	96,498	0	96,498
Accrued Interest	4,926	0	4,926
Intergovernmental	3,083,475	119,403	3,202,878
Deferred Charges	152,123	0	152,123
Nondepreciable Capital Assets	70,026,375	0	70,026,375
Depreciable Capital Assets, Net	5,254,785	99,920	5,354,705
<i>Total Assets</i>	<u>138,163,531</u>	<u>496,810</u>	<u>138,660,341</u>
<b>Liabilities</b>			
Accounts Payable	761,448	75,805	837,253
Contracts Payable	1,820,827	0	1,820,827
Accrued Wages and Benefits	6,744,869	116,110	6,860,979
Matured Compensated Absences Payable	484,584	0	484,584
Retainage Payable	1,042,640	0	1,042,640
Accrued Interest	249,035	0	249,035
Intergovernmental Payable	2,238,997	72,424	2,311,421
Deferred Revenue	30,121,369	0	30,121,369
Claims Payable	380,148	0	380,148
Long Term Liabilities:			
Due Within One Year	2,422,635	2,498	2,425,133
Due in More Than One Year	53,509,266	51,761	53,561,027
<i>Total Liabilities</i>	<u>99,775,818</u>	<u>318,598</u>	<u>100,094,416</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	29,932,289	99,920	30,032,209
Restricted for:			
Capital Projects	4,734,602	0	4,734,602
Debt Service	1,077,092	0	1,077,092
Set Asides	687,692	0	687,692
State Funded Programs	138,845	0	138,845
Federally Funded Programs	1,765,686	0	1,765,686
Student Activities	205,720	0	205,720
Other Purposes	550,659	0	550,659
Unrestricted	(704,872)	78,292	(626,580)
<i>Total Net Assets</i>	<u>\$ 38,387,713</u>	<u>\$ 178,212</u>	<u>\$ 38,565,925</u>

See accompanying notes to the basic financial statements.

**Elyria City School District**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2011

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities	Business-Type Activities	
<b>Governmental Activities</b>							
<b>Instruction:</b>							
Regular	\$ 29,324,385	\$ 1,390,222	\$ 936,962	\$ 76,326	\$ (26,920,875)	\$ 0	\$ (26,920,875)
Special	11,056,358	278,720	3,174,684	0	(7,602,954)	0	(7,602,954)
Vocational	230,941	0	116,453	0	(114,488)	0	(114,488)
Student Intervention Services	295,731	0	0	0	(295,731)	0	(295,731)
Other	8,120,803	0	0	0	(8,120,803)	0	(8,120,803)
<b>Support Services:</b>							
Pupils	4,351,555	0	1,169,532	0	(3,182,023)	0	(3,182,023)
Instructional Staff	5,033,837	0	2,889,018	0	(2,144,819)	0	(2,144,819)
Administration	5,274,119	0	907,706	0	(4,366,413)	0	(4,366,413)
Fiscal	1,803,790	0	51,028	0	(1,752,762)	0	(1,752,762)
Business	620,316	0	0	0	(620,316)	0	(620,316)
Operation and Maintenance of Plant	6,538,866	75,966	0	237,058	(6,225,842)	0	(6,225,842)
Pupil Transportation	3,118,652	0	95,841	0	(3,022,811)	0	(3,022,811)
Central	1,476,442	0	98,559	0	(1,377,883)	0	(1,377,883)
<b>Operation of Non-Instructional Services:</b>							
Community Services	1,838,111	0	1,092,124	0	(745,987)	0	(745,987)
Extracurricular Activities	1,253,432	260,053	21,639	0	(971,740)	0	(971,740)
Interest and Fiscal Charges	2,473,375	0	0	0	(2,473,375)	0	(2,473,375)
<i>Total Governmental Activities</i>	<u>82,810,713</u>	<u>2,004,961</u>	<u>10,553,546</u>	<u>313,384</u>	<u>(69,938,822)</u>	<u>0</u>	<u>(69,938,822)</u>
<b>Business-Type Activities</b>							
Food Service	3,054,910	627,723	2,334,647	0	0	(92,540)	(92,540)
<i>Totals</i>	<u>\$ 85,865,623</u>	<u>\$ 2,632,684</u>	<u>\$ 12,888,193</u>	<u>\$ 313,384</u>	<u>(69,938,822)</u>	<u>(92,540)</u>	<u>(70,031,362)</u>
<b>General Revenues</b>							
<b>Property Taxes Levied for:</b>							
General Purposes					29,145,296	0	29,145,296
Debt Service					2,610,859	0	2,610,859
Other Purposes					401,634	0	401,634
Grants and Entitlements not Restricted to Specific Programs					44,165,628	0	44,165,628
Investment Earnings					52,585	144	52,729
Miscellaneous					580,702	0	580,702
Gain from Sale of Capital Assets					861,343	0	861,343
<i>Total General Revenues</i>					<u>77,818,047</u>	<u>144</u>	<u>77,818,191</u>
<i>Change in Net Assets</i>					7,879,225	(92,396)	7,786,829
<i>Net Assets Beginning of Year - Restated (See Note 4)</i>					<u>30,508,488</u>	<u>270,608</u>	<u>30,779,096</u>
<i>Net Assets End of Year</i>					<u>\$ 38,387,713</u>	<u>\$ 178,212</u>	<u>\$ 38,565,925</u>

See accompanying notes to the basic financial statements.

**Elyria City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2011*

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 5,297,400	\$ 9,169,670	\$ 7,199,780	\$ 21,666,850
Restricted Cash and Investments	687,692	0	0	687,692
Cash and Investments in Segregated Accounts	0	837,664	0	837,664
Receivables:				
Taxes	31,460,663	0	3,066,170	34,526,833
Accounts	96,498	0	0	96,498
Interfund	3,484,820	0	0	3,484,820
Accrued Interest	4,926	0	0	4,926
Intergovernmental	599,457	39,726	2,444,159	3,083,342
<i>Total Assets</i>	<u>\$ 41,631,456</u>	<u>\$ 10,047,060</u>	<u>\$ 12,710,109</u>	<u>\$ 64,388,625</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 610,929	\$ 841	\$ 149,678	\$ 761,448
Contracts Payable	0	1,598,096	222,731	1,820,827
Accrued Wages and Benefits	5,640,585	0	1,102,269	6,742,854
Matured Compensated Absences Payable	484,584	0	0	484,584
Retainage Payable	0	1,042,640	0	1,042,640
Interfund Payable	0	1,640,461	1,844,359	3,484,820
Intergovernmental Payable	1,936,611	0	297,966	2,234,577
Deferred Revenue	29,299,617	39,726	4,330,038	33,669,381
<i>Total Liabilities</i>	<u>37,972,326</u>	<u>4,321,764</u>	<u>7,947,041</u>	<u>50,241,131</u>
<b>Fund Balances</b>				
Nonspendable	5,391	0	0	5,391
Restricted	687,692	5,725,296	4,886,943	11,299,931
Assigned	1,651,309	0	0	1,651,309
Unassigned	1,314,738	0	(123,875)	1,190,863
<i>Total Fund Balances</i>	<u>3,659,130</u>	<u>5,725,296</u>	<u>4,763,068</u>	<u>14,147,494</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 41,631,456</u>	<u>\$ 10,047,060</u>	<u>\$ 12,710,109</u>	<u>\$ 64,388,625</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, 2011*

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**Total Governmental Fund Balances** \$ 14,147,494

*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. 75,281,160

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

Grants	\$ 1,769,092
Delinquent Property Taxes	1,414,892
Charges for Services	<u>364,028</u>

Total 3,548,012

In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds a bond issuance expenditure is reported when bonds are issued. 152,123

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. (249,035)

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. 1,439,860

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

Capital Leases Payable	(4,830,417)
General Obligation Bonds	(42,890,000)
Capital Appreciation Bonds	(749,971)
Bond Accretion	(694,502)
Unamortized Bond Premium	(502,851)
Compensated Absences	(5,092,176)
Early Retirement Incentive	<u>(1,171,984)</u>

Total (55,931,901)

*Net Assets of Governmental Activities* \$ 38,387,713

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, 2011*

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$ 29,049,176	\$ 0	\$ 3,016,456	\$ 32,065,632
Intergovernmental	41,376,306	877,277	12,363,999	54,617,582
Interest	52,585	76,326	7,214	136,125
Tuition and Fees	1,591,906	0	0	1,591,906
Rent	75,965	0	0	75,965
Extracurricular Activities	131,573	0	128,480	260,053
Gifts and Donations	17,908	0	432,836	450,744
Miscellaneous	487,070	0	105,660	592,730
<i>Total Revenues</i>	<u>72,782,489</u>	<u>953,603</u>	<u>16,054,645</u>	<u>89,790,737</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	27,485,541	0	2,378,173	29,863,714
Special	8,122,270	0	2,932,445	11,054,715
Vocational	234,433	0	0	234,433
Student Intervention Services	174,086	0	121,645	295,731
Other	7,789,723	0	382,706	8,172,429
Support Services:				
Pupils	3,407,170	0	967,978	4,375,148
Instructional Staff	2,506,306	0	2,656,707	5,163,013
Administration	4,357,951	0	772,229	5,130,180
Fiscal	1,709,165	0	47,204	1,756,369
Business	620,267	0	0	620,267
Operation and Maintenance of Plant	5,440,161	0	720,114	6,160,275
Pupil Transportation	2,994,307	0	124,345	3,118,652
Central	1,448,527	0	5,315	1,453,842
Extracurricular Activities	1,069,876	0	153,940	1,223,816
Operation of Non-instructional Services:				
Community Services	597,754	0	1,226,388	1,824,142
Capital Outlay	29,706	16,927,098	2,919,781	19,876,585
Debt Service:				
Principal Retirement	459,683	0	685,000	1,144,683
Interest and Fiscal Charges	189,446	0	2,084,388	2,273,834
<i>Total Expenditures</i>	<u>68,636,372</u>	<u>16,927,098</u>	<u>18,178,358</u>	<u>103,741,828</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,146,117</u>	<u>(15,973,495)</u>	<u>(2,123,713)</u>	<u>(13,951,091)</u>
<b>Other Financing Sources and (Uses)</b>				
Proceeds from Sale of Capital Assets	7,295	0	1,027,500	1,034,795
<i>Net Change in Fund Balances</i>	4,153,412	(15,973,495)	(1,096,213)	(12,916,296)
<i>Fund Balances Beginning of Year - Restated (See Note 4)</i>	<u>(494,282)</u>	<u>21,698,791</u>	<u>5,859,281</u>	<u>27,063,790</u>
<i>Fund Balances End of Year</i>	<u>\$ 3,659,130</u>	<u>\$ 5,725,296</u>	<u>\$ 4,763,068</u>	<u>\$ 14,147,494</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, 2011*

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**Net Change in Fund Balances - Total Governmental Funds** \$ (12,916,296)

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

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

Capital Asset Additions	\$ 19,876,585	
Current Year Depreciation	<u>(757,372)</u>	19,119,213

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.

(185,480)

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

Grants	(383,091)	
Delinquent Property Taxes	92,157	
Charges for Services	<u>203,938</u>	

Total (86,996)

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

Accrued Interest	10,583	
Accretion on Capital Appreciation Bonds	(232,154)	
Bond Issuance Costs Amortization	(9,556)	
Bond Premium Amortization	<u>31,586</u>	

Total (199,541)

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

General Obligation Bonds	685,000	
Capital Leases	<u>459,683</u>	

Total 1,144,683

Compensated absences and early retirement incentive 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.

504,716

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

498,926

*Change in Net Assets of Governmental Activities*

\$ 7,879,225

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, 2011*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$ 27,688,764	\$ 27,688,764	\$ 27,865,172	\$ 176,408
Intergovernmental	41,327,167	41,327,167	41,590,466	263,299
Interest	67,968	67,968	68,401	433
Tuition and Fees	1,282,471	1,282,471	1,290,642	8,171
Extracurricular Activities	89,013	89,013	10,647	(78,366)
Rentals	75,484	75,484	75,965	481
Contributions and Donations	61,277	61,277	3,017	(58,260)
Miscellaneous	357,082	357,082	313,719	(43,363)
<i>Total Revenues</i>	<u>70,949,226</u>	<u>70,949,226</u>	<u>71,218,029</u>	<u>268,803</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	36,555,131	36,014,279	26,368,740	9,645,539
Special	2,054,574	1,970,593	8,185,593	(6,215,000)
Vocational	5,533	488	232,124	(231,636)
Adult/Continuing Education	290	30	11,938	(11,908)
Student Intervention Services	299,820	294,789	174,086	120,703
Other	6,628,348	6,787,243	7,887,197	(1,099,954)
Support Services:				
Pupils	404,767	335,161	3,514,350	(3,179,189)
Instructional Staff	196,532	146,346	2,390,095	(2,243,749)
Board of Education	9,300	7,881	65,260	(57,379)
Administration	5,398,372	5,357,540	4,317,631	1,039,909
Fiscal	7,559,827	10,449,664	1,757,576	8,692,088
Business	171,302	162,532	629,435	(466,903)
Operation and Maintenance of Plant	1,697,119	2,121,855	5,862,249	(3,740,394)
Pupil Transportation	2,970,649	3,410,346	3,742,754	(332,408)
Central	594,173	655,655	1,486,073	(830,418)
Operation of Non-Instructional Services:				
Food Operations	4,211	4,211	308,270	(304,059)
Community Services	289,461	287,528	319,454	(31,926)
Extracurricular Activities	109,246	90,325	882,917	(792,592)
Capital Outlay	11,449	35,701	48,180	(12,479)
Debt Service:				
Principal Retirement	303,040	293,038	459,683	(166,645)
Interest and Fiscal Charges	360,813	356,707	189,446	167,261
<i>Total Expenditures</i>	<u>65,623,957</u>	<u>68,781,912</u>	<u>68,833,051</u>	<u>(51,139)</u>
<i>Excess of Revenues (Under) Expenditures</i>	<u>5,325,269</u>	<u>2,167,314</u>	<u>2,384,978</u>	<u>217,664</u>
<b>Other Financing Sources and (Uses)</b>				
Proceeds from Sale of Capital Assets	7,249	7,249	7,295	46
Transfer In	0	0	7,855	7,855
Refund of Prior Year Expenditures	191,638	191,638	192,859	1,221
Advances In	3,211,103	3,211,103	3,186,917	(24,186)
Refund of Prior Year Receipts	(805)	(71)	(33,757)	(33,686)
Advances Out	(333,553)	(4,099,374)	(3,505,052)	594,322
Transfers Out	(2,649,521)	(1,724,661)	(1,718,900)	5,761
<i>Total Other Financing Sources and (Uses)</i>	<u>426,111</u>	<u>(2,414,116)</u>	<u>(1,862,783)</u>	<u>551,333</u>
<i>Net Change in Fund Balance</i>	5,751,380	(246,802)	522,195	768,997
<i>Fund Balance Beginning of Year - Restated (See Note 4)</i>	1,315,392	1,315,392	1,315,392	0
Prior Year Encumbrances Appropriated	1,682,800	1,682,800	1,682,800	0
<i>Fund Balance End of Year</i>	<u>\$ 8,749,572</u>	<u>\$ 2,751,390</u>	<u>\$ 3,520,387</u>	<u>\$ 768,997</u>

See accompanying notes to the basic financial statements.

**Elyria City School District**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*June 30, 2011*

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Assets</b>		
<i>Current Assets</i>		
Equity in Pooled Cash and Investments	\$ 277,487	\$ 1,826,310
Intergovernmental Receivable	119,403	133
<i>Total Current Assets</i>	<u>396,890</u>	<u>1,826,443</u>
<i>Non-Current Assets</i>		
Depreciable Capital Assets (Net)	99,920	0
<i>Total Assets</i>	<u>496,810</u>	<u>1,826,443</u>
<b>Liabilities</b>		
<i>Current Liabilities</i>		
Accounts Payable	75,805	0
Accrued Wages and Benefits	116,110	2,015
Compensated Absences Payable	2,498	0
Intergovernmental Payable	72,424	4,420
Claims Payable	0	380,148
<i>Total Current Liabilities</i>	<u>266,837</u>	<u>386,583</u>
<i>Long Term Liabilities</i>		
Compensated Absences	51,761	0
<i>Total Liabilities</i>	<u>318,598</u>	<u>386,583</u>
<b>Net Assets</b>		
Invested in Capital Assets	99,920	0
Unrestricted	78,292	1,439,860
<i>Total Net Assets</i>	<u>\$ 178,212</u>	<u>\$ 1,439,860</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, 2011*

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Operating Revenues</b>		
Sales	\$ 627,723	\$ 0
Charges for Services	0	7,317,356
Other Operating Revenues	0	133
<i>Total Operating Revenues</i>	<u>627,723</u>	<u>7,317,489</u>
<b>Operating Expenses</b>		
Salaries	664,035	47,702
Fringe Benefits	403,143	287,040
Purchased Services	1,588,197	394,082
Materials and Supplies	377,619	0
Depreciation	21,916	0
Claims	0	6,085,559
Other Operating Expenses	0	5,827
<i>Total Operating Expenses</i>	<u>3,054,910</u>	<u>6,820,210</u>
<i>Operating Income (Loss)</i>	<u>(2,427,187)</u>	<u>497,279</u>
<b>Non-Operating Revenues:</b>		
Intergovernmental	2,334,647	0
Interest	144	1,647
<i>Total Non-Operating Revenues</i>	<u>2,334,791</u>	<u>1,647</u>
<i>Change in Net Assets</i>	(92,396)	498,926
<i>Net Assets Beginning of Year</i>	<u>270,608</u>	<u>940,934</u>
<i>Net Assets End of Year</i>	<u>\$ 178,212</u>	<u>\$ 1,439,860</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, 2011

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Cash Flows From Operating Activities</b>		
Cash Received from Customers	\$ 627,723	\$ 7,317,356
Cash Paid for Goods and Services	(1,566,923)	(394,082)
Cash Paid for Material and Supplies	(175,252)	0
Cash Paid to Employees	(769,941)	(49,656)
Cash Paid to Employee Benefits	(305,848)	(285,080)
Cash Payments for Claims	0	(6,458,209)
Other Cash Payments	0	(5,827)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(2,190,241)</u>	<u>124,502</u>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Grants Received	<u>2,398,288</u>	<u>0</u>
<b>Cash Flows From Investing Activities</b>		
Interest on Investments	<u>144</u>	<u>1,647</u>
<i>Net Increase in Cash and Investments</i>	208,191	126,149
<i>Cash and Investments Beginning of Year</i>	<u>69,296</u>	<u>1,700,161</u>
<i>Cash and Investments End of Year</i>	<u>\$ 277,487</u>	<u>\$ 1,826,310</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities</b>		
<i>Operating Income (Loss)</i>	\$ (2,427,187)	\$ 497,279
Adjustments:		
Depreciation	21,916	0
Federal Donated Commodities	177,459	0
(Increase) Decrease Assets		
Intergovernmental Receivable	0	(133)
Inventory	24,908	0
Increase (Decrease) in Liabilities:		
Accounts Payable	21,274	0
Accrued Wages and Benefits	10,204	61
Compensated Absences Payable	(788)	0
Intergovernmental Payable	(18,027)	(55)
Claims Payable	0	(372,650)
<i>Total Adjustments</i>	<u>236,946</u>	<u>(372,777)</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (2,190,241)</u>	<u>\$ 124,502</u>

Non-Cash Transactions

During fiscal year 2011, the Food Service enterprise fund received donated commodities in the amount of \$177,459.

See accompanying notes to the basic financial statements.

**Elyria City School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2011*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Investments	\$ 360,118	\$ 207,223
<b>Liabilities</b>		
Accounts Payable	0	\$ 7,490
Due to Students	0	199,733
<i>Total Liabilities</i>	0	\$ 207,223
<b>Net Assets</b>		
Held in Trust for Scholarships	\$ 360,118	

See accompanying notes to the basic financial statements.

**Elyria City School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Funds*  
*For the Year Ended June 30, 2011*

	Private Purpose Trust
	Scholarship
<b>Additions</b>	
Gifts and Contributions	\$ 12,241
Interest	340
<i>Total Additions</i>	12,581
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	4,251
<i>Change in Net Assets</i>	8,330
<i>Net Assets Beginning of Year - Restated (See Note 4)</i>	351,788
<i>Net Assets End of Year</i>	\$ 360,118

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, 2011*

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

The Elyria City School District (the School District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a school district as defined by Section 3311.02 of the Ohio Revised Code. The School District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the School District. Average daily membership on, or as of, October 1, 2010, was 7,148. The School District employs 670 certificated and 348 non-certificated employees.

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

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

The School District is involved with Lake Erie Educational Computer Association (LEECA), which is defined as jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 16.

#### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local 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 applied Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The School District has elected not to follow FASB guidance for business-type activities and enterprise funds issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification. The most significant of the School District's accounting policies are described below.

##### **A. Basis of Presentation**

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

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide Financial Statements**

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

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

**Fund Financial Statements**

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

**B. Fund Accounting**

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

**Governmental Funds**

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

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Classroom Facilities Fund** The Classroom Facilities capital projects fund accounts for monies received and expended in connection with contracts entered into by the School District and the Ohio Schools Facilities Commission for the building and equipping of classroom facilities.

The other governmental funds of the School District account for grants and other resources to which the District is bound to observe constraints imposed upon the use of the resources.

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following are the School District's proprietary fund types:

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

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

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

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for scholarship programs 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 accounts for student activities.

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus**

**Government-wide Financial Statements**

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

**Fund Financial Statements**

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

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

The private purpose trust fund is reported using the economic resources measurement focus and is excluded from governmentwide activities. The agency fund does not report a measurement focus as it does not report operations.

**D. Basis of Accounting**

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

**Revenues – Exchange and Non-Exchange Transactions**

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

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**Deferred Revenue**

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

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as deferred revenue.

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

**E. Cash and Investments**

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

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

During fiscal year 2011, investments were limited to certificates of deposit, commercial paper (Citigroup Corporation) and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2011. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2011.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2011 amounted to \$52,585, which includes \$1,370 assigned from other School District funds.

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

**F. Deferred Charges**

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

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ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. 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:

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

**H. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Compensated Absences**

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

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

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

**J. Accrued Liabilities and Long-term Obligations**

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

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

**K. Bond Premiums**

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



ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At June 30, 2011, none of the School District's net assets were restricted by enabling legislation. Net assets restricted for other purposes are primarily for instruction of students.

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

**M. Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," the School District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or is imposed by law through constitutional provisions.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education.

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Fund Balance Continued**

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**N. 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 charges for services for food service operations and charges employee self-insurance program. Operating expenses are necessary costs incurred to provide services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

**O. Interfund Activity**

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

**P. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2011.

**Q. Estimates**

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

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Budgetary Data**

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

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

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

**S. Changes in Accounting Principles**

For the year ended June 30, 2011, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" and GASB Statement No. 59, "*Financial Instruments Omnibus*."

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned and/or unassigned.

GASB Statement No. 59 updated and improved existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. Implementation of this GASB statement did not affect the presentation of the financial statements of the School District.

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 3: FUND DEFICITS**

Fund balances at June 30, 2011 included the following individual fund deficits:

	<u>Deficit</u>
<b><i>Other Governmental Funds:</i></b>	
Stabilization Fund	\$ 12,639
Title II-D	111,236

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

**NOTE 4: RESTATEMENT OF FUND BALANCES**

Fund reclassifications are required in order to report funds in accordance with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." These fund reclassifications had the following effect on the School District' governmental fund balances as previously reported:

	<u>General</u>	<u>Nonmajor Governmental</u>
Fund Balance Previously Reported at June 30, 2010	\$ (150,598)	\$ 5,542,257
Fund Reclassification:		
Rotary Special Services Funds	35,760	(35,760)
Poverty Based Assistance	(412,617)	412,617
Miscellaneous Grants	19,191	(19,191)
Unclaimed Funds	1,083	(1,083)
Termination Benefits	(555,021)	555,021
Endowments	0	(26,660)
Uniform School Supplies	397,059	(397,059)
Public School Support Fund	<u>170,861</u>	<u>(170,861)</u>
Restated Fund Balance at July 1, 2010	<u>\$ (494,282)</u>	<u>\$ 5,859,281</u>

The fund reclassifications had the following effect on net assets previously reported:

	<u>Governmental Activities</u>	<u>Private Purpose Trust Fund</u>
Net Assets Previously Reported at June 30, 2010	\$ 30,535,148	\$ 325,128
Fund Reclassification		
Endowments	<u>(26,660)</u>	<u>26,660</u>
Restated Net Assets at July 1, 2010	<u>\$ 30,508,488</u>	<u>\$ 351,788</u>

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 4: RESTATEMENT OF FUND BALANCES (Continued)**

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. Pursuant to GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*” only the legally budgeted general fund should be reported in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund’s budgetary basis fund balance at June 30, 2010 is as follows:

	<u>General Fund</u>
Balance at June 30, 2010	\$ 1,271,551
Funds Budgeted Elsewhere	<u>43,841</u>
Restated Balance at July 1, 2010	<u>\$ 1,315,392</u>

**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

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

The major differences between the budget basis and GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a assignment of fund balance for (GAAP basis).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets.

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

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 5: BUDGETARY BASIS OF ACCOUNTING (Continued)**

<b>Net Change in Fund Balance</b>	
GAAP Basis	\$ 4,153,412
Net Adjustment for Revenue Accruals	(904,308)
Advances In	3,186,917
Net Adjustment for Expenditure Accruals	(469,250)
Advances Out	(3,505,052)
Funds Budgeted Elsewhere**	(65,370)
Adjustment for Encumbrances	<u>(1,874,154)</u>
Budget Basis	<u>\$ 522,195</u>

\*\* As part of Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes public school support funds, uniform school supplies, termination benefits, rotary special service funds, and miscellaneous grants.

**NOTE 6: 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, 2011*

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**NOTE 6: DEPOSITS AND INVESTMENTS (Continued)**

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

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of uninsured public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the School District's name. During 2011, the School District and public depositories complied with the provisions of these statutes.

ELYRIA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011

NOTE 6: DEPOSITS AND INVESTMENTS (Continued)

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of uninsured public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the School District’s name. During 2011, the School District and public depositories complied with the provisions of these statutes.

**Deposits with Financial Institutions**

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

At fiscal year-end, the carrying amount of the School District’s deposits was \$22,759,482. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures,” as of June 30, 2011, \$22,148,244 of the School District’s bank balance of \$23,421,412 was exposed to custodial risk as discussed above, while \$1,273,168 was covered by Federal Deposit Insurance Corporation.

**Investments**

Investments are reported at fair value. As of June 30, 2011, the School District had the following investments:

	Fair Value	Investment Maturities 6 Months or Less
STAROhio	\$ 2,104,122	\$ 2,104,122
Citigroup Commercial Paper	999,740	999,740
Total fair value	<u>\$ 3,103,862</u>	<u>\$ 3,103,862</u>

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

**Credit Risk.** The commercial paper has a rating assigned from Standard & Poor’s and Moody’s of A1+ and P1, respectively. STAROhio was rated AAAM by Standard & Poor’s. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.



ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 6: DEPOSITS AND INVESTMENTS (Continued)**

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

**Concentration of Credit Risk.** The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage to total of each investment type held by the School District at June 30, 2011:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
STAR Ohio	\$ 2,104,122	67.79%
GE Capital Corporation Commercial Paper	999,740	32.21%
	<u>\$ 3,103,862</u>	<u>100.00%</u>

**NOTE 7: PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in 2011 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2011 (other than public utility property) represent the collection of calendar year 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes.

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 7: PROPERTY TAXES (Continued)**

Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010, on the value as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes, which became measurable as of year-end. Although total property tax collections for the next fiscal year are measurable, only a portion of the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$2,720,784 in the general fund, \$233,913 in the bond retirement debt service fund and \$35,875 in the classroom facilities maintenance special revenue fund and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

There were no new levies passed during the current fiscal year. The assessed values upon which the current fiscal year taxes were collected are:

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 7: PROPERTY TAXES (Continued)**

Property Category	2011 Assessed Value		2010 Assessed Value	
	Amount	Percent	Amount	Percent
Real Property:				
Agricultural/Residential and Other Real Estate	\$ 593,435,840	67.11%	\$ 594,953,955	66.82%
Commercial and Industrial	269,060,540	30.43%	272,940,090	30.66%
Public Utility	163,670	0.02%	141,210	0.02%
Tangible Property:				
Personal Property	0	0.00%	1,536,543	0.17%
Public Property	21,583,770	2.44%	20,751,820	2.33%
Total Assessed Value	<u>\$ 884,243,820</u>	<u>100.00%</u>	<u>\$ 890,323,618</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	<u>\$ 69.58</u>		<u>\$ 64.32</u>	

**NOTE 8: RECEIVABLES**

Receivables at June 30, 2011 consisted of taxes, accounts (customer services and student fees), accrued interest, interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All are expected to be received within one year.

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ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 9: INTERFUND ACTIVITY**

Interfund balances at June 30, 2011 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<b>Major Funds:</b>		
General	\$ 3,484,820	\$ 0
Classroom Facilities	0	1,640,461
<b>Other Governmental Funds:</b>		
Miscellaneous Grants	0	44,644
Title VI-B	0	74,222
Title II-D	0	104,424
Title I	0	35,277
ARRA Early Childhood IDEA	0	5,623
Building Fund	0	1,580,169
Totals	<u>\$ 3,484,820</u>	<u>\$ 3,484,820</u>

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2011 are reported on the Statement of Net Assets.

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**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 10: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance 7/1/2010	Additions	Deletions	Balance 6/30/2011
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 5,790,808	\$ 0	\$ (72,519)	\$ 5,718,289
Construction in Progress	44,671,522	19,636,564	0	64,308,086
<i>Total Capital Assets, Not Being Depreciated</i>	<u>50,462,330</u>	<u>19,636,564</u>	<u>(72,519)</u>	<u>70,026,375</u>
 <i>Capital Assets, Being Depreciated:</i>				
Land Improvements	1,913,456	1,439	(106,229)	1,808,666
Building and Improvements	29,680,577	0	(2,327,872)	27,352,705
Furniture and Equipment	5,539,030	126,916	(127,530)	5,538,416
Vehicles	503,665	111,666	(233,094)	382,237
Library and Textbooks	1,679,422	0	0	1,679,422
<i>Total Capital Assets, Being Depreciated</i>	<u>39,316,150</u>	<u>240,021</u>	<u>(2,794,725)</u>	<u>36,761,446</u>
 <i>Less Accumulated Depreciation:</i>				
Land Improvements	(1,589,413)	(36,108)	101,470	(1,524,051)
Building and Improvements	(24,882,274)	(512,153)	2,235,341	(23,159,086)
Furniture and Equipment	(4,795,943)	(197,206)	111,859	(4,881,290)
Vehicles	(484,001)	(11,905)	233,094	(262,812)
Library and Textbooks	(1,679,422)	0	0	(1,679,422)
<i>Total Accumulated Depreciation</i>	<u>(33,431,053)</u>	<u>(757,372)</u>	<u>2,681,764</u>	<u>(31,506,661)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>5,885,097</u>	<u>(517,351)</u>	<u>(112,961)</u>	<u>5,254,785</u>
 <i>Governmental Activities Capital Assets, Net</i>	 <u>\$ 56,347,427</u>	 <u>\$ 19,119,213</u>	 <u>\$ (185,480)</u>	 <u>\$ 75,281,160</u>
 <b>Business-Type Activities</b>				
<i>Capital Assets, Being Depreciated:</i>				
Furniture and Equipment	\$ 632,729	\$ 0	\$ 0	\$ 632,729
 <i>Less Accumulated Depreciation:</i>				
Furniture and Equipment	(510,893)	(21,916)	0	(532,809)
<i>Business-Type Activities Capital Assets, Net</i>	<u>\$ 121,836</u>	<u>\$ (21,916)</u>	<u>\$ 0</u>	<u>\$ 99,920</u>

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 10: CAPITAL ASSETS (Continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	195,075
Special		26,120
Support Services:		
Pupil		2,907
Instructional Staff		13,762
Administration		23,783
Operation and Maintenance of Plant		409,581
Central		32,627
Operation of Non-Instructional Services		27,161
Extracurricular Activities		26,356
		<hr/>
Total Depreciation Expense	\$	<u>757,372</u>

**NOTE 11: CAPITALIZED LEASES-LESSEE DISCLOSURE**

In fiscal year 2008, the School District entered into a lease for the renovation of the high school building. The School District has also for entered into a lease agreements for communication equipment and photocopiers. These leases meet the criteria of a capital lease as they transfer benefits and risks of ownership to the lessee.

Capital assets acquired by the leases have been capitalized in the amount of \$7,302,214. A corresponding liability was recorded in the statement of net assets and is reduced for each required principal payment.

Lease payments are paid from the general fund.

The future minimum lease obligations and the net present values of these minimum lease payments as of June 30, 2011, were as follows:

Year Ending June 30,	Lease Payment
2012	\$ 631,134
2013	629,686
2014	713,239
2015	711,695
2016	710,151
2017-2021	2,791,573
2022-2023	375,404
Total Minimum Lease Payments	<hr/> 6,562,882
Less: Amount Representing Interest	<hr/> 1,732,465
Present Value of Minimum Lease Payments	<hr/> <u>\$ 4,830,417</u>

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 12: LONG-TERM OBLIGATIONS**

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

	Principal Outstanding 07/01/2010	Additions	Deductions	Principal Outstanding 06/30/2011	Due Within One Year
<b>Governmental Activities:</b>					
<b>General Obligation Bonds:</b>					
2007 School Improvement Bonds,					
Serial Bonds	\$ 43,575,000	\$ 0	\$ (685,000)	\$42,890,000	\$ 710,000
Capital Appreciation Bonds	749,971	0	0	749,971	0
Accretion on Bonds	462,348	232,154	0	694,502	0
Premium on Bonds	534,437	0	(31,586)	502,851	0
<i>Total General Obligation Bonds</i>	<u>45,321,756</u>	<u>232,154</u>	<u>(716,586)</u>	<u>44,837,324</u>	<u>710,000</u>
<b>Other Long-Term Obligations:</b>					
Capital Leases	5,290,100	0	(459,683)	4,830,417	459,275
Early Retirement Incentive	2,037,039	0	(865,055)	1,171,984	870,484
Compensated Absences	4,731,837	1,065,616	(705,277)	5,092,176	382,876
<i>Total Other Long-Term Obligations</i>	<u>12,058,976</u>	<u>1,065,616</u>	<u>(2,030,015)</u>	<u>11,094,577</u>	<u>1,712,635</u>
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u>\$ 57,380,732</u>	<u>\$ 1,297,770</u>	<u>\$(2,746,601)</u>	<u>\$55,931,901</u>	<u>\$ 2,422,635</u>
<b>Business-Type Activities:</b>					
Compensated Absences*	<u>\$ 55,047</u>	<u>\$ 18,617</u>	<u>\$ (19,405)</u>	<u>\$ 54,259</u>	<u>\$ 2,498</u>

**2007 School Facilities Construction and Improvement General Obligation Bonds**

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

The bonds were issued with a premium of \$631,723, which is reported as an increase to bonds payable. The amounts are being amortized to interest expense over the life of the bonds using the bonds outstanding method. The amortization of the premium for fiscal year 2011 was \$31,586. The issuance costs of \$191,111 are reported as deferred charges and are being amortized over the life of the bonds using the bond outstanding method. The amortization of the issuance costs for fiscal year 2011 was \$9,556.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 12: LONG-TERM OBLIGATIONS (Continued)**

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

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

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

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

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

The capital appreciation bonds will mature December 1, 2013 through 2015. These bonds were purchased at a discount at the time of issuance and at maturity all compounded interest is paid and the bond holder collects the face value. However, since interest is technically earned and compounded semiannually, the value of the bond increases. Therefore, as the value increases, the accretion is booked as interest. The maturity amount of the bonds is \$2,640,000. The fiscal year 2011 accretion amount was \$232,154.

Compensated absences will be paid from the general fund and debt payments are paid from the debt service fund.



**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 12: LONG-TERM OBLIGATIONS (Continued)**

The School District provides an early retirement incentive plan for employees. Employees who enroll in the early retirement incentive plan must have declared their intention to retire before June 30, 2011. Certified employees that retire prior to the start of the 2010-2011 school year will receive two \$12,500 incentive payments in January, 2011 and 2012. Certified employees that retire prior to the 2011-2012 school year will receive two incentive payments in the amount of \$7,500 in January, 2012 and 2013. Classified employees who retire by June 30, 2011 will receive an incentive payment equivalent to thirty percent of their annual base salary. This will be paid on or about October 1, 2011.

Principal and interest requirements to retire general obligation bonds, capital appreciation bonds and the installment loan outstanding at June 30, 2011 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds		Capital Appreciation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 710,000	\$ 2,056,488	\$ 0	\$ 0	\$ 710,000	\$ 2,056,488
2013	740,000	2,027,488	0	0	740,000	2,027,488
2014	0	2,012,688	294,853	585,147	294,853	2,597,835
2015	0	2,012,688	247,447	632,553	247,447	2,645,241
2016	0	2,012,688	207,671	672,329	207,671	2,685,017
2017-2021	5,670,000	9,500,366	0	0	5,670,000	9,500,366
2022-2026	8,165,000	7,915,191	0	0	8,165,000	7,915,191
2027-2031	11,520,000	5,525,570	0	0	11,520,000	5,525,570
2032-2036	16,085,000	2,110,375	0	0	16,085,000	2,110,375
Total	<u>\$ 42,890,000</u>	<u>\$ 35,173,542</u>	<u>\$ 749,971</u>	<u>\$ 1,890,029</u>	<u>\$ 43,639,971</u>	<u>\$ 37,063,571</u>

**NOTE 13: 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 2011 the School District contracted with Indiana Insurance Company for property insurance. Professional liability is protected by Indiana Insurance Company with \$5,000,000 aggregate limit.

Vehicles are covered by Indiana Insurance Company. Automobile liability has \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three 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.

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 13: RISK MANAGEMENT (Continued)**

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 Comp Management 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 120 percent of paid claims for medical and hearing. For fiscal year 2011 this was equal to \$-0-. 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 \$380,148 reported in the self-insurance fund at June 30, 2011 is based on the liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The amount was based on an estimate provided by the third-party administrator. The change in the liability for the last two years is presented in the following table.

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance End of Year
2010	\$ 480,335	\$ 6,251,093	\$ 5,978,630	\$ 752,798
2011	\$ 752,798	\$ 6,085,559	\$ 6,458,209	\$ 380,148

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 14: DEFINED BENEFIT PENSION PLANS**

***A. School Employee Retirement System***

Plan Description - The School District contributes to the School Employees Retirement System of Ohio (“SERS”), a cost-sharing multiple employer pension plan. SERS provides retirement and disability and survivor 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 can be obtained on SERS’ website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current 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 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations and death benefits. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The contribution requirements of plan members and employers are established and may be amended up to statutory maximum amounts 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, 2011, 2010 and 2009 were \$1,120,526, \$1,271,977 and \$688,161, respectively; 37 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

***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 publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report 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](http://www.strsoh.org).

## ELYRIA CITY SCHOOL DISTRICT

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011*

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#### **NOTE 14: DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

Funding Policy - For the fiscal year ended June 30, 2011, 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 2010, 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, 2011, 2010, and 2009 were \$4,301,686, \$4,653,391 and \$4,575,983, respectively; 94 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$115,237 made by the School District and \$77,730 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, 2011, three members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 15: 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. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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 2011, 1.43 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 2011, this amount was \$35,800.

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

The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$40,332, \$45,783 and \$304,075, respectively; 37 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was .76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$66,635, \$75,642 and \$54,821, respectively; 37 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

***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. Benefit provisions and the obligations to contribute are established by STRS Ohio based on authority granted by State Statute. The Plan is included in the financial report of STRS. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free (888) 227-7877.

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 15: POSTEMPLOYMENT BENEFITS (Continued)**

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, 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, 2011, 2010, and 2009 were \$330,899, \$357,953 and \$351,999, respectively; 94 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**NOTE 16: 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 2011, the School District contributed \$493,402 to LEECA.

**NOTE 17: 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, 2011.

**B. Litigation**

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

**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 18: SET-ASIDES**

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

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

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set-aside Restricted Balance as of June 30, 2010	\$ 444,812	\$ 0
Current Year Set-Aside Requirement	1,052,268	1,052,268
Contributions in Excess of the Current Fiscal Year Set-Aside Requirement	0	0
Current Year Qualifying Disbursements	(809,388)	(2,060,580)
Excess Qualified Expenditures from Prior Years	0	0
Current Year Offsets	0	0
Waiver Granted by Department of Education	<u>0</u>	<u>0</u>
 Totals	 <u>\$ 687,692</u>	 <u>\$ (1,008,312)</u>
 Balance Carried Forward to Fiscal Year 2012	 <u>\$ 687,692</u>	 <u>\$ 0</u>
 Set-Aside Restricted Balance as of June 30, 2011	 <u>\$ 687,692</u>	 <u>\$ 0</u>

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

The School District did not have enough qualifying disbursements to exceed the requirements for textbooks and other instructional materials and is required to establish a fund balance restriction of \$687,692. This amount is also reported as restricted cash and investments in the general fund. Effective July 1, 2011, textbook set-aside laws have been repealed.

ELYRIA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

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**NOTE 19: CONTRACTUAL COMMITMENTS**

As of June 30, 2011, the School District had contractual commitments for the construction of a new high school.

	Contractual Commitment	Expended	Balance June 30, 2011
Vaughn Industries Inc.	\$ 6,539,315	\$ 5,961,508	\$ 577,807
Harris Masonry	7,539,841	7,295,828	244,013
Marous Brothers Construction	18,921,556	15,575,060	3,346,496
Zenith Systems LLC	1,216,873	1,111,594	105,279
Guenther Mechanical	7,424,676	6,935,180	489,496
ABC Piping Co.	727,000	680,619	46,381
J.B. & Co. Inc.	2,211,218	2,143,701	67,517
Spectra Contract Flooring	1,326,198	860,803	465,395
KMU Trucking & Excavating Inc.	101,358	79,258	22,100
Perram Electric Inc.	90,456	29,865	60,591
Regency Construction Services	530,804	524,169	6,635
Sonecreek Interior Systems LLC	1,651,762	1,350,347	301,415
	<u>\$ 48,281,057</u>	<u>\$ 42,547,932</u>	<u>\$ 5,733,125</u>

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**ELYRIA CITY SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2011*

**NOTE 20: FUND BALANCE**

Fund balance can be classified as nonspendable, restricted, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other funds are presented as follows:

	<u>General</u>	<u>Classroom Facilities</u>	<u>Governmental Funds</u>	<u>Total</u>
Nonspendable for:				
Unclaimed Funds	\$ 5,391	\$ 0	\$ 0	\$ 5,391
Restricted for:				
Debt Service	0	0	1,216,235	1,216,235
Capital Outlay		5,725,296	2,441,825	8,167,121
Textbooks	687,692	0	0	687,692
Facilities Maintenance	0	0	282,667	282,667
Special Education	0	0	99,416	99,416
Federally Funded Programs	0	0	267,776	267,776
State Funded Programs	0	0	127,558	127,558
Student Activities	0	0	205,720	205,720
Other Purposes	0	0	245,746	245,746
Total Restricted	<u>687,692</u>	<u>5,725,296</u>	<u>4,886,943</u>	<u>11,299,931</u>
Assigned for:				
Other Purposes	379,669	0	0	379,669
Encumbrances	1,271,640	0	0	1,271,640
	<u>1,651,309</u>	<u>0</u>	<u>0</u>	<u>1,651,309</u>
Unassigned	1,314,738	0	(123,875)	1,190,863
<i>Total Fund Balance</i>	<u>\$ 3,659,130</u>	<u>\$ 5,725,296</u>	<u>\$ 4,763,068</u>	<u>\$ 14,147,494</u>

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

ELYRIA CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

*Combining Statements-Nonmajor Funds  
Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

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

ELYRIA CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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

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

***Education Jobs Fund*** – This fund provides compensation and benefits and other expenses, such as support services, necessary to retain existing employees, recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary or secondary educational and related services.

***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.

***State Fiscal Stabilization Fund*** – This fund accounts for federal monies to support and restore state funding for elementary, secondary, post-secondary education and as applicable early childhood programs.

***Title II-D Fund*** – This fund accounts for federal monies to improve state academic achievement through technology in schools; to assist student in becoming technologically literate by the end of eighth grade, and; to encourage effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.

***Title I School Improvement Fund*** – This fund accounts for federal monies to help schools improve the teaching and learning of children failing, or most at risk of failing to meet challenging state academic achievement standards.

***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.

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

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

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

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

ELYRIA CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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

*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 support the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

**Elyria City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,957,177	\$ 982,322	\$ 4,260,281	\$ 7,199,780
Receivables:				
Taxes	407,917	2,658,253	0	3,066,170
Intergovernmental	2,444,159	0	0	2,444,159
<i>Total Assets</i>	<u>\$ 4,809,253</u>	<u>\$ 3,640,575</u>	<u>\$ 4,260,281</u>	<u>\$ 12,710,109</u>
<b>Liabilities</b>				
Accounts Payable	\$ 134,122	\$ 0	\$ 15,556	\$ 149,678
Contracts Payable	0	0	222,731	222,731
Accrued Wages and Benefits	1,102,269	0	0	1,102,269
Interfund Payable	264,190	0	1,580,169	1,844,359
Intergovernmental Payable	297,966	0	0	297,966
Deferred Revenue	1,905,698	2,424,340	0	4,330,038
<i>Total Liabilities</i>	<u>3,704,245</u>	<u>2,424,340</u>	<u>1,818,456</u>	<u>7,947,041</u>
<b>Fund Balances</b>				
Restricted	1,228,883	1,216,235	2,441,825	4,886,943
Unassigned	(123,875)	0	0	(123,875)
<i>Total Fund Balances</i>	<u>1,105,008</u>	<u>1,216,235</u>	<u>2,441,825</u>	<u>4,763,068</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 4,809,253</u>	<u>\$ 3,640,575</u>	<u>\$ 4,260,281</u>	<u>\$ 12,710,109</u>

**Elyria City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For Fiscal Year Ended June 30, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$ 403,613	\$ 2,612,843	\$ 0	\$ 3,016,456
Intergovernmental	12,021,345	342,654	0	12,363,999
Interest	299	0	6,915	7,214
Extracurricular Activities	128,480	0	0	128,480
Gifts and Donations	202,693	0	230,143	432,836
Miscellaneous	103,311	0	2,349	105,660
<i>Total Revenues</i>	<u>12,859,741</u>	<u>2,955,497</u>	<u>239,407</u>	<u>16,054,645</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	2,378,173	0	0	2,378,173
Special	2,932,445	0	0	2,932,445
Student Intervention Services	121,645	0	0	121,645
Other	382,706	0	0	382,706
Support Services:				
Pupils	967,978	0	0	967,978
Instructional Staff	2,656,707	0	0	2,656,707
Administration	772,229	0	0	772,229
Fiscal	6,526	40,678	0	47,204
Operation and Maintenance of Plant	662,122	0	57,992	720,114
Pupil Transportation	124,345	0	0	124,345
Central	5,315	0	0	5,315
Operation of Non-Instructional Services:				
Community Services	1,226,388	0	0	1,226,388
Extracurricular Activities	153,940	0	0	153,940
Capital Outlay	0	0	2,919,781	2,919,781
Debt Service:				
Principal Retirement	0	685,000	0	685,000
Interest and Fiscal Charges	0	2,084,388	0	2,084,388
<i>Total Expenditures</i>	<u>12,390,519</u>	<u>2,810,066</u>	<u>2,977,773</u>	<u>18,178,358</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>469,222</u>	<u>145,431</u>	<u>(2,738,366)</u>	<u>(2,123,713)</u>
<b>Other Financing Sources</b>				
Proceeds from Sales of Fixed Assets	0	0	1,027,500	1,027,500
<i>Net Change in Fund Balances</i>	469,222	145,431	(1,710,866)	(1,096,213)
<i>Fund Balances Beginning of Year</i>	<u>635,786</u>	<u>1,070,804</u>	<u>4,152,691</u>	<u>5,859,281</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,105,008</u>	<u>\$ 1,216,235</u>	<u>\$ 2,441,825</u>	<u>\$ 4,763,068</u>

**Elyria City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2011*

	Local Grants	Classroom Facilities Maintenance	Athletics and Music	Auxiliary Services	Educational Management Information Systems
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 256,183	\$ 246,792	\$ 205,720	\$ 179,063	\$ 399
Receivables:					
Taxes	0	407,917	0	0	0
Intergovernmental	35,494	0	0	79	0
<i>Total Assets</i>	<u>\$ 291,677</u>	<u>\$ 654,709</u>	<u>\$ 205,720</u>	<u>\$ 179,142</u>	<u>\$ 399</u>
<b>Liabilities</b>					
Accounts Payable	\$ 439	\$ 0	\$ 0	\$ 94,660	\$ 0
Accrued Wages and Benefits	274	0	0	17,519	0
Interfund Payable	44,644	0	0	0	0
Intergovernmental Payable	574	0	0	6,592	0
Deferred Revenue	0	372,042	0	79	0
<i>Total Liabilities</i>	<u>45,931</u>	<u>372,042</u>	<u>0</u>	<u>118,850</u>	<u>0</u>
<b>Fund Balances</b>					
Restricted	245,746	282,667	205,720	60,292	399
Unassigned	0	0	0	0	0
<i>Total Fund Balances</i>	<u>245,746</u>	<u>282,667</u>	<u>205,720</u>	<u>60,292</u>	<u>399</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 291,677</u>	<u>\$ 654,709</u>	<u>\$ 205,720</u>	<u>\$ 179,142</u>	<u>\$ 399</u>

(Continued)



<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer School</u>	<u>Alternative Schools</u>	<u>Miscellaneous State Grants</u>
\$ 49,159	\$ 259	\$ 78	\$ 424	\$ 6,528	\$ 10,086
0	0	0	0	0	0
0	0	0	0	23,829	0
<u>\$ 49,159</u>	<u>\$ 259</u>	<u>\$ 78</u>	<u>\$ 424</u>	<u>\$ 30,357</u>	<u>\$ 10,086</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	9,740	0
0	0	0	0	0	0
0	0	0	0	2,548	0
0	0	0	0	11,208	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,496</u>	<u>0</u>
49,159	259	78	424	6,861	10,086
0	0	0	0	0	0
<u>49,159</u>	<u>259</u>	<u>78</u>	<u>424</u>	<u>6,861</u>	<u>10,086</u>
<u>\$ 49,159</u>	<u>\$ 259</u>	<u>\$ 78</u>	<u>\$ 424</u>	<u>\$ 30,357</u>	<u>\$ 10,086</u>

(Continued)

**Elyria City School District**  
**Combining Balance Sheet**  
*Nonmajor Special Revenue Funds (Continued)*  
June 30, 2010

	Education Jobs	Title VI-B	State Fiscal Stabilization	Title II - D
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 109,723	\$ 204,492	\$ 388,945	\$ 358
Receivables:				
Taxes	0	0	0	0
Intergovernmental	816,223	504,708	287	119,353
<i>Total Assets</i>	<u>\$ 925,946</u>	<u>\$ 709,200</u>	<u>\$ 389,232</u>	<u>\$ 119,711</u>
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 19,880	\$ 0	\$ 0
Accrued Wages and Benefits	60,929	259,737	334,382	7,303
Interfund Payable	0	74,222	0	104,424
Intergovernmental Payable	26,425	101,577	67,202	474
Deferred Revenue	816,223	154,368	287	118,746
<i>Total Liabilities</i>	<u>903,577</u>	<u>609,784</u>	<u>401,871</u>	<u>230,947</u>
<b>Fund Balances</b>				
Restricted	22,369	99,416	0	0
Unassigned	0	0	(12,639)	(111,236)
<i>Total Fund Balances</i>	<u>22,369</u>	<u>99,416</u>	<u>(12,639)</u>	<u>(111,236)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 925,946</u>	<u>\$ 709,200</u>	<u>\$ 389,232</u>	<u>\$ 119,711</u>

(Continued)

<u>Title I School Improvement</u>	<u>Title III</u>	<u>Title I</u>	<u>Preschool Handicapped Grant</u>	<u>Class Size Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$ 25,201	\$ 1,228	\$ 208,868	\$ 0	\$ 59,264	\$ 4,407	\$ 1,957,177
0	0	0	0	0	0	407,917
<u>60,355</u>	<u>5,417</u>	<u>640,400</u>	<u>17,071</u>	<u>220,943</u>	<u>0</u>	<u>2,444,159</u>
<u>\$ 85,556</u>	<u>\$ 6,645</u>	<u>\$ 849,268</u>	<u>\$ 17,071</u>	<u>\$ 280,207</u>	<u>\$ 4,407</u>	<u>\$ 4,809,253</u>
\$ 16,109	\$ 0	\$ 2,082	\$ 354	\$ 598	\$ 0	\$ 134,122
22,230	3,551	353,397	4,942	28,265	0	1,102,269
35,277	0	0	5,623	0	0	264,190
3,928	543	69,626	1,235	17,242	0	297,966
162	2,115	284,073	560	145,835	0	1,905,698
<u>77,706</u>	<u>6,209</u>	<u>709,178</u>	<u>12,714</u>	<u>191,940</u>	<u>0</u>	<u>3,704,245</u>
7,850	436	140,090	4,357	88,267	4,407	1,228,883
0	0	0	0	0	0	(123,875)
<u>7,850</u>	<u>436</u>	<u>140,090</u>	<u>4,357</u>	<u>88,267</u>	<u>4,407</u>	<u>1,105,008</u>
<u>\$ 85,556</u>	<u>\$ 6,645</u>	<u>\$ 849,268</u>	<u>\$ 17,071</u>	<u>\$ 280,207</u>	<u>\$ 4,407</u>	<u>\$ 4,809,253</u>

**Elyria City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For Fiscal Year Ended June 30, 2011*

	Local Grants	Classroom Facilities Maintenance	Athletics and Music	Auxiliary Services	Educational Management Information Systems
<b>Revenues</b>					
Property and Other Local Taxes	\$ 0	\$ 403,613	\$ 0	\$ 0	\$ 0
Intergovernmental	35,494	50,729	0	871,359	5,000
Interest	0	299	0	0	0
Extracurricular Activities	8,839	0	119,641	0	0
Gifts and Donations	195,945	0	6,748	0	0
Miscellaneous	94,056	0	9,255	0	0
<i>Total Revenues</i>	<u>334,334</u>	<u>454,641</u>	<u>135,644</u>	<u>871,359</u>	<u>5,000</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	235,510	0	0	0	0
Special	8,091	0	0	0	0
Student Intervention Services	0	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupils	590	0	0	0	0
Instructional Staff	3,984	0	0	0	0
Administration	299	0	0	0	0
Fiscal	0	6,526	0	0	0
Operation and Maintenance of Plant	2,923	0	0	0	0
Pupil Transportation	1,870	0	0	0	0
Central	878	0	0	0	1,937
Operation of Non-Instructional Services:					
Community Services	13,904	0	0	1,037,590	0
Extracurricular Activities	5,151	0	148,789	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>273,200</u>	<u>6,526</u>	<u>148,789</u>	<u>1,037,590</u>	<u>1,937</u>
<i>Excess of Revenues Over (Under) Expenditu.</i>	<u>61,134</u>	<u>448,115</u>	<u>(13,145)</u>	<u>(166,231)</u>	<u>3,063</u>
<i>Net Change in Fund Balances</i>	61,134	448,115	(13,145)	(166,231)	3,063
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>184,612</u>	<u>(165,448)</u>	<u>218,865</u>	<u>226,523</u>	<u>(2,664)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 245,746</u>	<u>\$ 282,667</u>	<u>\$ 205,720</u>	<u>\$ 60,292</u>	<u>\$ 399</u>

(Continued)

Public School Preschool	Data Communications	School Net Professional Development	Ohio Reads	Summer School	Alternative Schools	Miscellaneous State Grants
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
68,000	43,314	0	0	0	107,691	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
68,000	43,314	0	0	0	107,691	0
0	0	0	0	0	0	0
68,000	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
68,000	0	0	0	0	102,987	0
0	43,314	0	0	0	4,704	0
0	43,314	0	0	0	4,704	0
0	5,845	259	78	424	2,157	10,086
\$ 0	\$ 49,159	\$ 259	\$ 78	\$ 424	\$ 6,861	\$ 10,086

(Continued)

**Elyria City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (Continued)*  
*For Fiscal Year Ended June 30, 2011*

	Educational Jobs	Title VI-B	State Fiscal Stabilization	Title II-D	Title I School Improvement
<b>Revenues</b>					
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental	722,645	2,883,774	2,662,248	326,353	220,684
Interest	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Gifts and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>722,645</u>	<u>2,883,774</u>	<u>2,662,248</u>	<u>326,353</u>	<u>220,684</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	235,382	0	1,588,762	294,788	0
Special	0	758,472	0	0	23,787
Student Intervention Services	0	0	121,645	0	0
Other	0	0	382,706	0	0
Support Services:					
Pupils	122,927	477,668	0	0	0
Instructional Staff	84,461	1,216,024	0	103,287	177,474
Administration	211,801	207,780	90,972	0	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	0	659,199	0	0
Pupil Transportation	0	23,782	0	0	0
Central	0	0	0	2,500	0
Operation of Non-Instructional Services:					
Community Services	45,705	116,974	0	0	0
Extracurricular Activities	0	0	0	0	0
Capital Outlay	0	0	0	0	0
<i>Total Expenditures</i>	<u>700,276</u>	<u>2,800,700</u>	<u>2,843,284</u>	<u>400,575</u>	<u>201,261</u>
<i>Excess of Revenues Over (Under) Expendi.</i>	<u>22,369</u>	<u>83,074</u>	<u>(181,036)</u>	<u>(74,222)</u>	<u>19,423</u>
<i>Net Change in Fund Balances</i>	22,369	83,074	(181,036)	(74,222)	19,423
<i>Fund Balances (Deficit) Beginning of Year</i>	0	16,342	168,397	(37,014)	(11,573)
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 22,369</u>	<u>\$ 99,416</u>	<u>\$ (12,639)</u>	<u>\$ (111,236)</u>	<u>\$ 7,850</u>

(Continued)

Title III	Title I	Drug Free Schools Grant	Preschool Handicapped Grant	Class Size Reduction	Miscellaneous Federal Grants	Totals
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 403,613
24,107	3,332,764	12,347	102,700	552,136	0	12,021,345
0	0	0	0	0	0	299
0	0	0	0	0	0	128,480
0	0	0	0	0	0	202,693
0	0	0	0	0	0	103,311
<u>24,107</u>	<u>3,332,764</u>	<u>12,347</u>	<u>102,700</u>	<u>552,136</u>	<u>0</u>	<u>12,859,741</u>
23,731	0	0	0	0		2,378,173
0	2,046,779	0	27,316	0	0	2,932,445
0	0	0	0	0	0	121,645
0	0	0	0	0	0	382,706
0	366,793	0	0	0	0	967,978
553	577,069	0	18,135	474,043	0	2,656,707
0	109,014	0	51,053	0	0	772,229
0	0	0	0	0	0	6,526
0	0	0	0	0	0	662,122
0	98,693	0	0	0	0	124,345
0	0	0	0	0	0	5,315
0	11,861	0	0	354	0	1,226,388
0	0	0	0	0	0	153,940
0	0	0	0	0	0	0
<u>24,284</u>	<u>3,210,209</u>	<u>0</u>	<u>96,504</u>	<u>474,397</u>	<u>0</u>	<u>12,390,519</u>
(177)	122,555	12,347	6,196	77,739	0	469,222
(177)	122,555	12,347	6,196	77,739	0	469,222
613	17,535	(12,347)	(1,839)	10,528	4,407	635,786
<u>\$ 436</u>	<u>\$ 140,090</u>	<u>\$ 0</u>	<u>\$ 4,357</u>	<u>\$ 88,267</u>	<u>\$ 4,407</u>	<u>\$ 1,105,008</u>

**Elyria City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2011*

	<u>Permanent Improvement</u>	<u>Capital Building</u>	<u>SchoolNet Plus</u>	<u>Totals</u>
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 1,067,659	\$ 3,192,329	\$ 293	\$ 4,260,281
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 15,556	\$ 0	\$ 15,556
Contracts Payable	0	222,731	0	222,731
Interfund Payable	0	1,580,169	0	1,580,169
<i>Total Liabilities</i>	<u>0</u>	<u>1,818,456</u>	<u>0</u>	<u>1,818,456</u>
<b>Fund Balances</b>				
Restricted	<u>1,067,659</u>	<u>1,373,873</u>	<u>293</u>	<u>2,441,825</u>
<i>Total Fund Balances</i>	<u>1,067,659</u>	<u>1,373,873</u>	<u>293</u>	<u>2,441,825</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,067,659</u>	<u>\$ 3,192,329</u>	<u>\$ 293</u>	<u>\$ 4,260,281</u>



**Elyria City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For Fiscal Year Ended June 30, 2011*

	<u>Permanent Improvement</u>	<u>Capital Building</u>	<u>SchoolNet Plus</u>	<u>Totals</u>
<b>Revenues</b>				
Interest	\$ 0	\$ 6,915	\$ 0	\$ 6,915
Gifts and Donations	0	230,143	0	230,143
Miscellaneous	96	2,253	0	2,349
<i>Total Revenues</i>	<u>96</u>	<u>239,311</u>	<u>0</u>	<u>239,407</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Operation and Maintenance of Plant	0	57,992	0	57,992
Capital Outlay	0	2,919,781	0	2,919,781
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>96</u>	<u>(2,738,462)</u>	<u>0</u>	<u>(2,738,366)</u>
<b>Other Financing (Uses)</b>				
Proceeds from Sale of Capital Assets	1,026,900	600	0	1,027,500
<i>Net Change in Fund Balances</i>	1,026,996	(2,737,862)	0	(1,710,866)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>40,663</u>	<u>4,111,735</u>	<u>293</u>	<u>4,152,691</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$ 1,067,659</u>	<u>\$ 1,373,873</u>	<u>\$ 293</u>	<u>\$ 2,441,825</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*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$ 272,823	\$ 301,904	\$ 29,081
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	670,639	320,101	350,538
Special	50	0	50
<i>Total Expenditures</i>	<u>670,689</u>	<u>320,101</u>	<u>350,588</u>
<i>Net Change in Fund Balance</i>	(397,866)	(18,197)	379,669
<i>Fund Balance Beginning of Year</i>	397,177	397,177	0
Prior Year Encumbrances Appropriated	<u>689</u>	<u>689</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 379,669</u></u>	<u><u>\$ 379,669</u></u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$ 164,510	\$ 120,926	\$ (43,584)
Gifts and Donations	20,258	14,891	(5,367)
Miscellaneous	40,232	29,573	(10,659)
<i>Total Revenues</i>	<u>225,000</u>	<u>165,390</u>	<u>(59,610)</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities	309,763	201,466	108,297
<i>Net Change in Fund Balance</i>	(84,763)	(36,076)	48,687
<i>Fund Balance Beginning of Year</i>	167,390	167,390	0
Prior Year Encumbrances Appropriated	9,763	9,763	0
<i>Fund Balance End of Year</i>	<u>\$ 92,390</u>	<u>\$ 141,077</u>	<u>\$ 48,687</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$ 53,836	\$ 8,839	\$ (44,997)
Gifts and Donations	514,700	195,945	(318,755)
Miscellaneous	117,449	94,056	(23,393)
<i>Total Revenues</i>	<u>685,985</u>	<u>298,840</u>	<u>(387,145)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	677,406	225,919	451,487
Special	8,066	8,111	(45)
Support Services:			
Pupils	593	590	3
Instructional Staff	3,858	3,799	59
Administration	3,489	299	3,190
Operation and Maintenance of Plant	4,446	3,038	1,408
Pupil Transportation	36,826	1,870	34,956
Central	26,095	878	25,217
Operation of Non-Instructional Services:			
Community Services	13,292	14,957	(1,665)
Extracurricular Activities	6,651	5,890	761
<i>Total Expenditures</i>	<u>780,722</u>	<u>265,351</u>	<u>515,371</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(94,737)</u>	<u>33,489</u>	<u>128,226</u>
<b>Other Financing Use</b>			
Advance In	0	44,644	44,644
Advance Out	(30,287)	(30,287)	0
Refund of Prior Year Receipts	(45)	(45,143)	(45,188)
<i>Total Other Financing Sources (Uses)</i>	<u>(30,332)</u>	<u>(30,786)</u>	<u>454</u>
<i>Net Change in Fund Balance</i>	(125,069)	2,703	127,772
<i>Fund Balance Beginning of Year</i>	215,119	215,119	0
Prior Year Encumbrances Appropriated	10,554	10,554	0
<i>Fund Balance End of Year</i>	<u>\$ 100,604</u>	<u>\$ 228,376</u>	<u>\$ 127,772</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Inter-District Services Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Fund Balance Beginning of Year</i>	\$ 54,537	\$ 54,537	\$ 0
<i>Fund Balance End of Year</i>	\$ 54,537	\$ 54,537	\$ 0

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Classroom Facilities Maintenance Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property and Other Local Taxes	\$ 530,345	\$ 388,524	\$ (141,821)
Intergovernmental	69,246	50,729	(18,517)
Interest	408	299	(109)
<i>Total Revenues</i>	<u>600,000</u>	<u>439,552</u>	<u>(160,448)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal	<u>7,000</u>	<u>6,526</u>	<u>474</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>593,000</u>	<u>433,026</u>	<u>(159,974)</u>
<b>Other Financing Sources (Uses)</b>			
Advances Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	293,000	133,026	(159,974)
<i>Fund Balance Beginning of Year</i>	<u>113,766</u>	<u>113,766</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 406,766</u></u>	<u><u>\$ 246,792</u></u>	<u><u>\$ (159,974)</u></u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Termination Benefits Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	1,558,180	1,491,157	67,023
Support Services:			
Instructional Staff	156,820	174,660	(17,840)
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,715,000)	(1,665,817)	49,183
<b>Other Financing Sources (Uses)</b>			
Transfer In	1,711,018	1,711,045	27
<i>Net Change in Fund Balance</i>	(3,982)	45,228	49,210
<i>Fund Balance Beginning of Year</i>	113,766	113,766	0
<i>Fund Balance End of Year</i>	\$ 109,784	\$ 158,994	\$ 49,210



**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Athletics and Music Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$ 105,030	\$ 119,641	\$ 14,611
Gifts and Donations	7,500	6,748	(752)
Miscellaneous	26,600	9,255	(17,345)
<i>Total Revenues</i>	<u>139,130</u>	<u>135,644</u>	<u>(3,486)</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities	<u>249,700</u>	<u>180,521</u>	<u>69,179</u>
<i>Net Change in Fund Balance</i>	(110,570)	(44,877)	65,693
<i>Fund Balance Beginning of Year</i>	218,755	218,755	0
Prior Year Encumbrances Appropriated	<u>110</u>	<u>110</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 108,295</u>	<u>\$ 173,988</u>	<u>\$ 65,693</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 957,570	\$ 956,692	\$ (878)
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Community Services	1,171,287	1,138,115	33,172
<i>Excess of Revenues Over (Under) Expenditures</i>	(213,717)	(181,423)	32,294
<b>Other Financing Sources (Uses)</b>			
Refund of Prior Year Expenditures	564	0	(564)
<i>Net Change in Fund Balance</i>	(213,153)	(181,423)	31,730
<i>Fund Balance Beginning of Year</i>	172,515	172,515	0
Prior Year Encumbrances Appropriated	40,638	40,638	0
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 31,730</u>	<u>\$ 31,730</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Educational Management Information Systems Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 13,000	\$ 5,000	\$ (8,000)
<b>Expenditures</b>			
Current:			
Support Services:			
Central	13,000	4,601	8,399
<i>Net Change in Fund Balance</i>	0	399	399
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 399	\$ 399

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Preschool Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 70,000	\$ 68,000	\$ (2,000)
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils	68,000	68,000	0
<i>Net Change in Fund Balance</i>	2,000	0	(2,000)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$ 2,000	\$ 0	\$ (2,000)

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Data Communications Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 42,732	\$ 43,225	\$ 493
<b>Expenditures</b>			
Current:			
Support Services:			
Central	48,666	0	48,666
<i>Net Change in Fund Balance</i>	(5,934)	43,225	49,159
<i>Fund Balance at Beginning of Year</i>	5,934	5,934	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 49,159	\$ 49,159

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*SchoolNet Professional Development Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Fund Balance Beginning of Year</i>	\$ 259	\$ 259	\$ 0
<i>Fund Balance End of Year</i>	\$ 259	\$ 259	\$ 0

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Ohio Reads Grant Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 1,664	\$ 0	\$ (1,664)
<b>Other Financing Sources (Uses)</b>			
Advances Out	(1,742)	(1,742)	0
<i>Net Change in Fund Balance</i>	(78)	(1,742)	(1,664)
<i>Fund Balance Beginning of Year</i>	1,820	1,820	0
<i>Fund Balance End of Year</i>	<u>\$ 1,742</u>	<u>\$ 78</u>	<u>\$ (1,664)</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Summer School Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Fund Balance Beginning of Year</i>	\$ 424	\$ 424	\$ 0
<i>Fund Balance End of Year</i>	\$ 424	\$ 424	\$ 0



**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Alternative Schools Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenue</b>			
Intergovernmental	\$ 130,213	\$ 106,384	\$ (23,829)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	1,169	0	1,169
Support Services:			
Instructional Staff	937	0	937
Administration	131,176	102,987	28,189
<i>Total Expenditures</i>	<u>133,282</u>	<u>102,987</u>	<u>30,295</u>
<i>Net Change in Fund Balance</i>	(3,069)	3,397	6,466
<i>Fund Balance Beginning of Year</i>	<u>3,069</u>	<u>3,069</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 6,466</u>	<u>\$ 6,466</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous State Grants Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 182,007	\$ 0	\$ (182,007)
<i>Fund Balance Beginning of Year</i>	10,087	10,087	0
<i>Fund Balance End of Year</i>	\$ 192,094	\$ 10,087	\$ 182,007

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Education Jobs Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 1,538,466	\$ 722,645	\$ (815,821)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	1,538,466	222,333	1,316,133
Support Services:			
Pupils	0	98,998	(98,998)
Instructional Staff	0	65,543	(65,543)
Administration	0	185,105	(185,105)
Operation of Non-Instructional Services:			
Community Services	0	40,943	(40,943)
<i>Total Expenditures</i>	<u>1,538,466</u>	<u>612,922</u>	<u>925,544</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>109,723</u>	<u>109,723</u>
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 0</u></u>	<u><u>\$ 109,723</u></u>	<u><u>\$ 109,723</u></u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenue</b>			
Intergovernmental	\$ 3,179,263	\$ 2,770,133	\$ (409,130)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	1,002,916	851,977	150,939
Support Services:			
Pupils	557,508	495,726	61,782
Instructional Staff	1,439,206	1,226,355	212,851
Administration	245,797	204,146	41,651
Pupil Transportation	48,553	48,489	64
Operation of Non-Instructional Services:			
Community Services	138,171	117,323	20,848
<i>Total Expenditures</i>	<u>3,432,151</u>	<u>2,944,016</u>	<u>488,135</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(252,888)</u>	<u>(173,883)</u>	<u>79,005</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	98,328	74,222	(24,106)
Advances Out	<u>(4,823)</u>	<u>(4,823)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>93,505</u>	<u>69,399</u>	<u>(24,106)</u>
<i>Net Change in Fund Balance</i>	(159,383)	(104,484)	54,899
<i>Fund Balance Beginning of Year</i>	91,128	91,128	0
Prior Year Encumbrances Appropriated	<u>73,076</u>	<u>73,076</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,821</u>	<u>\$ 59,720</u>	<u>\$ 54,899</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Fiscal Stabilization Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 2,003,049	\$ 2,662,248	\$ 659,199
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	1,303,203	1,351,467	(48,264)
Student Intervention Services	0	121,645	(121,645)
Other	325,599	349,846	(24,247)
Support Services:			
Administration	0	76,098	(76,098)
Operation and Maintenance of Plant	659,199	659,199	0
<i>Total Expenditures</i>	<u>2,288,001</u>	<u>2,558,255</u>	<u>(270,254)</u>
<i>Net Change in Fund Balance</i>	(284,952)	103,993	388,945
<i>Fund Balance Beginning of Year</i>	<u>284,952</u>	<u>284,952</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 0</u>	<u>\$ 388,945</u>	<u>\$ 388,945</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title II - D Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenue</b>			
Intergovernmental	\$ 332,835	\$ 307,655	\$ (25,180)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	292,470	294,788	(2,318)
Support Services:			
Instructional Staff	124,044	107,028	17,016
Central	2,500	2,500	0
Operation of Non-Instructional Services:			
Community Services	590	0	590
<i>Total Expenditures</i>	<u>419,604</u>	<u>404,316</u>	<u>15,288</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(86,769)</u>	<u>(96,661)</u>	<u>(9,892)</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	110,945	104,424	(6,521)
Advances Out	(16,772)	(16,772)	0
<i>Total Other Financing Sources (Uses)</i>	<u>94,173</u>	<u>87,652</u>	<u>(6,521)</u>
<i>Net Change in Fund Balance</i>	7,404	(9,009)	(16,413)
<i>Fund Balance Beginning of Year</i>	5,001	5,001	0
Prior Year Encumbrances Appropriated	4,366	4,366	0
<i>Fund Balance End of Year</i>	<u>\$ 16,771</u>	<u>\$ 358</u>	<u>\$ (16,413)</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I School Improvement Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenue</b>			
Intergovernmental	\$ 202,931	\$ 180,053	\$ (22,878)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	23,787	23,787	0
Support Services:			
Instructional Staff	215,443	182,112	33,331
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(36,299)</u>	<u>(25,846)</u>	<u>10,453</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	38,654	35,277	(3,377)
Advances Out	(1,178)	(1,178)	0
<i>Total Other Financing Sources (Uses)</i>	<u>37,476</u>	<u>34,099</u>	<u>(3,377)</u>
<i>Net Change in Fund Balance</i>	1,177	8,253	7,076
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,177</u>	<u>\$ 8,253</u>	<u>\$ 7,076</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenue</b>			
Intergovernmental	\$ 28,029	\$ 22,613	\$ (5,416)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	26,673	21,616	5,057
Support Services:			
Instructional Staff	2,140	553	1,587
<i>Total Expenditures</i>	28,813	22,169	6,644
<i>Net Change in Fund Balance</i>	(784)	444	1,228
<i>Fund Balance Beginning of Year</i>	784	784	0
<i>Fund Balance End of Year (Deficit)</i>	\$ 0	\$ 1,228	\$ 1,228



**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 3,882,901	\$ 3,232,607	\$ (650,294)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	2,495,176	2,041,921	453,255
Support Services:			
Pupils	421,902	355,900	66,002
Instructional Staff	857,485	630,251	227,234
Administration	150,920	118,829	32,091
Pupil Transportation	118,603	101,996	16,607
Operation of Non-Instructional Services:			
Community Services	11,906	11,880	26
<i>Total Expenditures</i>	4,055,992	3,260,777	795,215
<i>Excess of Revenue Over (Under) Expenditures</i>	(173,091)	(28,170)	144,921
<b>Other Financing Sources (Uses)</b>			
Refund of Prior Year Receipts	(10,072)	0	10,072
<i>Net Change in Fund Balance</i>	(183,163)	(28,170)	154,993
<i>Fund Balance Beginning of Year</i>	134,441	134,441	0
Prior Year Encumbrances Appropriated	48,722	48,722	0
<i>Fund Balance End of Year (Deficit)</i>	\$ 0	\$ 154,993	\$ 154,993

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Schools Grant Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 24,521	\$ 12,260	\$ (12,261)
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils	20,367	20,367	0
<i>Excess of Revenue Over (Under) Expenditures</i>	4,154	(8,107)	(12,261)
<b>Other Financing Sources (Uses)</b>			
Advances Out	(12,260)	(12,260)	0
<i>Net Change in Fund Balance</i>	(8,106)	(20,367)	(12,261)
<i>Fund Balance Beginning of Year</i>	1	1	0
Prior Year Encumbrances Appropriated	20,367	20,367	0
<i>Fund Balance End of Year</i>	<u>\$ 12,262</u>	<u>\$ 1</u>	<u>\$ (12,261)</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool Handicapped Grant Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 125,817	\$ 96,400	\$ (29,417)
<b>Expenditures</b>			
Current:			
Instruction:			
Special	32,373	31,814	559
Support Services:			
Instructional Staff	22,119	21,928	191
Administration	60,274	51,533	8,741
<i>Total Expenditures</i>	<u>114,766</u>	<u>105,275</u>	<u>9,491</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>11,051</u>	<u>(8,875)</u>	<u>(19,926)</u>
<b>Other Financing Sources (Uses)</b>			
Advances Out	<u>(12,452)</u>	<u>(12,452)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,401)	(21,327)	(19,926)
<i>Fund Balance Beginning of Year</i>	82	82	0
Prior Year Encumbrances Appropriated	<u>13,770</u>	<u>13,770</u>	<u>0</u>
<i>Fund Balance End of Year (Deficit)</i>	<u>\$ 12,451</u>	<u>\$ (7,475)</u>	<u>\$ (19,926)</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Class Size Reduction Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 813,691	\$ 564,990	\$ (248,701)
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff	739,409	495,297	244,112
Operation of Non-Instructional Services:			
Community Services	27,674	354	27,320
<i>Total Expenditures</i>	<u>767,083</u>	<u>495,651</u>	<u>271,432</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>46,608</u>	<u>69,339</u>	<u>22,731</u>
<b>Other Financing Sources (Uses)</b>			
Advances Out	<u>(27,757)</u>	<u>(27,757)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	18,851	41,582	22,731
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	<u>8,907</u>	<u>8,907</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$ 27,758</u></u>	<u><u>\$ 50,489</u></u>	<u><u>\$ 22,731</u></u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous Federal Grants Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff	2,000	0	2,000
<i>Net Change in Fund Balance</i>	(2,000)	0	2,000
<i>Fund Balance Beginning of Year</i>	4,407	4,407	0
<i>Fund Balance End of Year</i>	<u>\$ 2,407</u>	<u>\$ 4,407</u>	<u>\$ 2,000</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property and Other Local Taxes	\$ 5,000,498	\$ 2,513,625	\$ (2,486,873)
Intergovernmental	681,661	342,654	(339,007)
<i>Total Revenues</i>	<u>5,682,159</u>	<u>2,856,279</u>	<u>(2,825,880)</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal	41,000	40,678	322
Debt Service:			
Principal Retirement	685,000	685,000	0
Interest and Fiscal Charges	2,084,388	2,084,388	0
<i>Total Expenditures</i>	<u>2,810,388</u>	<u>2,810,066</u>	<u>322</u>
<i>Net Change in Fund Balance</i>	2,871,771	46,213	(2,825,558)
<i>Fund Balance Beginning of Year</i>	<u>936,109</u>	<u>936,109</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,807,880</u>	<u>\$ 982,322</u>	<u>\$ (2,825,558)</u>

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$ 0	\$ 0	\$ 0
<b>Expenditures</b>			
Capital Outlay	21,957	0	21,957
<i>Excess of Revenues Under Expenditures</i>	(21,957)	0	21,957
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Assets	40,663	1,026,900	986,237
Refund of Prior Year Expenditures	0	96	96
<i>Total Other Financing Sources (Uses)</i>	40,663	1,026,996	986,333
<i>Net Change in Fund Balance</i>	18,706	1,026,996	1,008,290
<i>Fund Balance Beginning of Year</i>	40,663	40,663	0
<i>Fund Balance End of Year</i>	\$ 59,369	\$ 1,067,659	\$ 1,008,290

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Building Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Gifts and Donations	\$ 321,348	\$ 230,143	\$ (91,205)
Miscellaneous	3,146	2,253	(893)
Interest	9,655	6,915	(2,740)
<i>Total Revenues</i>	<u>334,149</u>	<u>239,311</u>	<u>(94,838)</u>
<b>Expenditures</b>			
Capital Outlay	6,450,784	6,379,540	71,244
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,116,635)</u>	<u>(6,140,229)</u>	<u>(23,594)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Assets	838	600	238
Advances In	2,625,276	1,880,169	(745,107)
Advance Out	(1,410,104)	(1,446,027)	(35,923)
<i>Total Other Financing Sources (Uses)</i>	<u>1,216,010</u>	<u>434,742</u>	<u>(781,268)</u>
			0
<i>Net Change in Fund Balance</i>	(4,900,625)	(5,705,487)	(804,862)
<i>Fund Balance Beginning of Year</i>	215,570	215,570	0
Prior Year Encumbrances Appropriated	5,831,082	5,831,082	0
<i>Fund Balance End of Year</i>	<u>\$ 1,146,027</u>	<u>\$ 341,165</u>	<u>\$ (804,862)</u>



**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*SchoolNet Plus Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Fund Balance Beginning of Year</i>	\$ 293	\$ 293	\$ 0
<i>Fund Balance End of Year</i>	\$ 293	\$ 293	\$ 0

**Elyria City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Classroom Facilities Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 1,785,500	\$ 877,277	\$ (908,223)
Interest	319,654	157,057	(162,597)
<i>Total Revenues</i>	<u>2,105,154</u>	<u>1,034,334</u>	<u>(1,070,820)</u>
<b>Expenditures</b>			
Capital Outlay	27,607,513	26,202,522	1,404,991
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(25,502,359)</u>	<u>(25,168,188)</u>	<u>334,171</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	3,338,790	1,640,461	(1,698,329)
Transfers Out	0	(1,607,764)	(1,607,764)
<i>Total Other Financing Sources (Uses)</i>	<u>3,338,790</u>	<u>32,697</u>	<u>(3,306,093)</u>
<i>Net Change in Fund Balance</i>	(22,163,569)	(25,135,491)	(2,971,922)
<i>Fund Balance Beginning of Year</i>	3,335,774	3,335,774	0
Prior Year Encumbrances Appropriated	<u>25,067,518</u>	<u>25,067,518</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 6,239,723</u>	<u>\$ 3,267,801</u>	<u>\$ (2,971,922)</u>

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

ELYRIA CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES

*Proprietary Funds*

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

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

**Elyria City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Lunchroom/Cafeteria Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Operating Revenues</b>			
Sales	\$ 617,206	\$ 627,723	\$ 10,517
<b>Operating Expenses</b>			
Salaries	806,147	769,941	36,206
Fringe benefits	294,491	305,848	(11,357)
Purchased services	1,697,502	1,571,271	126,231
Materials and supplies	187,351	176,661	10,690
Capital Outlay	22,882	0	22,882
<i>Total Operating Expenses</i>	<u>3,008,373</u>	<u>2,823,721</u>	<u>184,652</u>
<i>Operating Loss</i>	<u>(2,391,167)</u>	<u>(2,195,998)</u>	<u>195,169</u>
<b>Non-Operating Revenues</b>			
Intergovernmental	2,321,870	2,398,288	76,418
Interest	0	144	144
<i>Total Non-Operating Revenues</i>	<u>2,321,870</u>	<u>2,398,432</u>	<u>76,562</u>
<i>Net Change in Fund Equity</i>	(69,297)	202,434	271,731
<i>Fund Equity Beginning of Year</i>	9,073	9,073	0
Prior Year Encumbrances Appropriated	<u>60,224</u>	<u>60,224</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 0</u>	<u>\$ 271,731</u>	<u>\$ 271,731</u>

**Elyria City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self-Insurance Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Operating Revenues</b>			
Charges for Services	\$ 6,906,674	\$ 7,317,356	\$ 410,682
<b>Operating Expenses</b>			
Salaries	49,720	49,656	64
Fringe benefits	287,654	285,080	2,574
Purchased services	405,541	394,082	11,459
Claims	6,510,616	6,458,209	52,407
Other	0	8,346	(8,346)
<i>Total Operating Expenses</i>	<u>7,253,531</u>	<u>7,195,373</u>	<u>58,158</u>
<i>Operating Income (Loss)</i>	<u>(346,857)</u>	<u>121,983</u>	<u>468,840</u>
<b>Non-Operating Revenues</b>			
Interest	1,554	1,647	93
<i>Net Change in Fund Equity</i>	(345,303)	123,630	468,933
<i>Fund Equity Beginning of Year</i>	<u>1,700,161</u>	<u>1,700,161</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$ 1,354,858</u></u>	<u><u>\$ 1,823,791</u></u>	<u><u>\$ 468,933</u></u>

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

ELYRIA CITY SCHOOL DISTRICT

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.



**Elyria City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Scholarship Trust Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Operating Revenues</b>			
Interest	\$ 0	\$ 340	\$ 340
Contributions and Donations	0	12,241	12,241
<i>Total Operating Revenues</i>	<u>0</u>	<u>12,581</u>	<u>12,581</u>
<b>Operating Expenses</b>			
Payments in Accordance with Trust Agreements	339,923	4,251	335,672
<i>Net Change in Fund Equity</i>	(339,923)	8,330	348,253
<i>Fund Equity Beginning of Year</i>	<u>317,002</u>	<u>351,790</u>	<u>34,788</u>
<i>Fund Equity End of Year</i>	<u>\$ (22,921)</u>	<u>\$ 360,120</u>	<u>\$ 383,041</u>

**Elyria City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Year Ended June 30, 2011*

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>Student Activities</b>				
<b>Assets</b>				
Cash and Investments	\$ 189,601	\$ 17,622	\$ 0	\$ 207,223
<b>Liabilities</b>				
Accounts Payable	\$ 3,033	\$ 7,490	\$ 3,033	\$ 7,490
Due to Students	186,568	388,159	374,994	199,733
<i>Total Liabilities</i>	<u>\$ 189,601</u>	<u>\$ 395,649</u>	<u>\$ 378,027</u>	<u>\$ 207,223</u>

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## **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 health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	<b>S2-S8</b>
<b>Revenue Capacity</b> 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.	<b>S9-S12</b>
<b>Debt Capacity</b> 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.	<b>S13-S15</b>
<b>Economic and Demographic Information</b> 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.	<b>S16-S17</b>
<b>Operating Information</b> 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.	<b>S18-S28</b>

**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 the fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>									
Invested in Capital Assets, Net of Related Debt	\$ 5,455,137	\$ 4,562,508	\$ 3,933,767	\$ 3,746,145	\$ 3,359,347	\$ (2,247,500)	\$ 10,536,311	\$ 22,043,153	\$ 29,932,289
Restricted for:									
Capital Projects	2,669,729	2,122,554	1,644,202	1,931,852	5,121,548	28,645,025	19,750,648	11,084,930	4,734,602
Debt Service	769,297	576,703	373,730	950,874	27,183	506,834	969,281	923,062	1,077,092
Set Asides	0	0	0	0	0	44,236	137,471	444,812	687,692
Other Purposes	1,611,116	1,796,762	2,110,573	1,866,135	2,421,468	1,051,720	649,943	46,683	550,659
State Funded Programs	0	0	0	0	0	761,798	418,792	257,826	138,845
Federal Funded Programs	0	0	0	0	427,501	110,042	686,350	1,042,527	1,765,686
Student Activities	0	0	0	0	18,378	251,437	241,952	218,865	205,720
Unrestricted (Deficit)	9,558,826	6,593,715	4,041,676	(2,442,350)	(4,861,234)	(3,927,831)	(6,239,373)	(5,526,710)	(704,872)
Total Governmental Activities Net Assets	20,064,105	15,652,242	12,103,948	6,052,656	6,514,191	25,195,761	27,151,375	30,535,148	38,387,713
<b>Business-type Activities:</b>									
Invested in Capital Assets, Net of Related Debt	215,686	185,087	155,881	155,881	124,179	97,550	71,484	121,836	99,920
Unrestricted (Deficit)	159,816	212,692	227,822	(83,837)	158,005	161,750	50,752	148,772	78,292
Total Business-type Activities Net Assets	375,502	397,779	383,703	72,044	282,184	259,300	122,236	270,608	178,212
<b>Primary Government:</b>									
Invested in Capital Assets, Net of Related Debt	5,670,823	4,747,595	4,089,648	3,902,026	3,483,526	(2,149,950)	10,607,795	22,164,989	30,032,209
Restricted	5,050,142	4,496,019	4,128,505	4,748,861	8,016,078	31,371,092	22,854,437	14,018,705	9,160,296
Unrestricted (Deficit)	9,718,642	6,806,407	4,269,498	(2,526,187)	(4,703,229)	(3,766,081)	(6,188,621)	(5,377,938)	(626,580)
Total Primary Government Net Assets	\$ 20,439,607	\$ 16,050,021	\$ 12,487,651	\$ 6,124,700	\$ 6,796,375	\$ 25,455,061	\$ 27,273,611	\$ 30,805,756	\$ 38,565,925

**Source:** School District financial records

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
<b>Governmental Activities:</b>									
Regular Instruction	\$ 30,821,532	\$ 29,624,561	\$ 31,649,471	\$ 30,324,346	\$ 33,699,210	\$ 33,710,202	\$ 29,986,308	\$ 30,677,977	\$ 29,324,385
Special Instruction	9,309,759	9,113,085	9,763,249	9,376,862	9,944,646	10,604,886	10,744,900	11,252,236	11,056,358
Vocational Instruction	295,979	306,809	352,683	363,744	363,315	359,157	227,995	223,734	230,941
Adult Instruction	69,898	69,504	72,170	56,007	77,581	63,512	73,475	90,580	0
Student Intervention Services (1)	0	0	0	0	0	638,592	675,918	362,338	295,731
Other Instruction	3,023,391	3,855,812	4,682,829	5,123,266	6,138,664	6,234,168	6,673,943	7,402,117	8,120,803
Pupil Support	4,988,514	5,110,344	5,370,367	4,530,777	4,778,759	4,748,054	4,185,131	4,320,730	4,351,555
Instructional Staff Support	5,253,519	4,846,921	4,943,033	4,534,477	4,801,888	5,094,128	5,144,944	5,210,569	5,033,837
Board of Education	53,309	115,881	82,330	93,169	129,282	51,691	104,943	117,662	0
Administration	5,489,448	4,959,822	5,603,999	5,197,206	5,396,405	5,363,883	5,002,750	4,698,220	5,274,119
Fiscal	1,423,861	1,556,168	1,758,681	1,439,234	1,851,967	1,712,373	1,730,692	1,758,975	1,803,790
Business	964,200	832,056	1,000,184	1,148,114	680,525	787,272	664,862	624,956	620,316
Operation and Maintenance of Plant	6,792,093	6,900,583	6,639,825	7,899,488	7,235,350	8,570,873	7,833,498	5,869,301	6,538,866
Pupil Transportation	2,495,848	3,142,194	3,198,557	2,665,086	3,062,472	3,236,629	3,198,960	3,263,970	3,118,652
Central	1,718,658	1,336,426	1,565,055	1,317,013	1,353,315	1,296,655	1,364,039	1,316,634	1,476,442
Operation of Non-Instructional Services	1,712,503	1,586,493	1,854,580	1,693,187	1,721,445	1,806,047	1,760,690	1,434,159	1,838,111
Extracurricular Activities	1,495,087	1,574,321	1,400,631	1,294,248	1,347,414	1,223,070	1,425,979	1,320,365	1,253,432
Interest and Fiscal Charges	81,549	59,738	43,075	380,415	263,789	2,161,303	2,503,678	2,575,662	2,473,375
<i>Total Governmental Activities Expenses</i>	<u>75,989,148</u>	<u>74,990,718</u>	<u>79,980,719</u>	<u>77,436,639</u>	<u>82,846,027</u>	<u>87,662,495</u>	<u>83,302,705</u>	<u>82,520,185</u>	<u>82,810,713</u>
<b>Business-type Activities:</b>									
Food Service	2,577,737	2,618,632	2,678,175	2,704,945	3,015,498	3,144,251	3,253,678	2,898,273	3,054,910
<i>Total Business-type Activities Expenses</i>	<u>2,577,737</u>	<u>2,618,632</u>	<u>2,678,175</u>	<u>2,704,945</u>	<u>3,015,498</u>	<u>3,144,251</u>	<u>3,253,678</u>	<u>2,898,273</u>	<u>3,054,910</u>
<i>Total Primary Government Expenses</i>	<u>78,566,885</u>	<u>77,609,350</u>	<u>82,658,894</u>	<u>80,141,584</u>	<u>85,861,525</u>	<u>90,806,746</u>	<u>86,556,383</u>	<u>85,418,458</u>	<u>85,865,623</u>
<b>Program Revenues</b>									
<b>Governmental Activities:</b>									
Charges for Services									
Regular Instruction	0	615,424	212,169	1,062,428	1,282,570	1,339,605	1,793,026	1,405,561	1,390,222
Special Instruction	1,576,791	1,135,243	1,204,802	315,540	411,576	582,079	0	258,583	278,720
Adult Instruction	0	362	0	0	0	0	0	0	0
Pupil Support	0	22,063	22,345	0	19,546	0	0	0	0
Instructional Staff	0	59,322	25,201	2,277	0	0	0	0	0
Fiscal	0	30,065	30,285	0	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	77,716	77,579	74,311	76,178	87,314	75,966
Central	0	276	141	0	4,890	28,685	0	0	0
Operation of Non-Instructional Services	0	945	1,379	2,559	425	151	0	0	0
Extracurricular Activities	208,441	426,014	447,834	396,602	411,749	407,869	304,238	328,811	260,053

(continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Operating Grants and Contributions</b>									
Regular Instruction	0	1,099,523	1,251,001	1,613,848	2,530,266	2,187,563	181,970	327,391	936,962
Special Instruction	2,085,097	2,680,839	2,669,948	2,300,478	2,620,309	5,595,356	5,924,836	3,656,735	3,174,684
Vocational Instruction	0	0	0	0	136,457	0	225,370	115,586	116,453
Adult Instruction	72,708	68,589	71,619	148,726	81,162	83,458	69,320	0	0
Other Instruction	0	0	0	250,090	633,730	620,244	0	0	0
Pupil Support	61,501	597,555	774,176	429,815	669,449	1,648,395	649,578	429,201	1,169,532
Instructional Staff Support	922,320	1,761,242	2,834,389	1,904,682	2,361,618	2,437,879	2,638,976	3,520,094	2,889,018
Administration	140,874	679,642	905,757	1,037,027	813,880	726,145	402,762	156,897	907,706
Fiscal	0	0	0	0	0	0	0	109,022	51,028
Business	0	0	0	0	22,589	26,351	0	0	0
Operation and Maintenance of Plant	0	1,027	0	111,408	493,754	440,378	584,371	0	0
Pupil Transportation	49,979	73,966	91,798	0	498,800	688,697	115,712	18,525	95,841
Central	30,346	89,854	95,670	89,188	179,022	89,184	108,422	56,778	98,559
Operation of Non-Instructional Services	1,082,753	1,185,307	0	1,218,120	1,219,320	1,273,479	1,175,869	988,682	1,092,124
Extracurricular Activities	0	0	1,219,654	55,007	93,645	59,381	41,298	43,613	21,639
<b>Capital Grants and Contributions</b>									
Regular Instruction	0	0	0	0	43,935	0	0	0	76,326
Special Instruction	0	0	0	0	7,185	0	0	0	0
Instructional Staff Support	0	0	0	0	501	0	0	0	0
Fiscal	0	0	0	0	0	0	57,294	0	0
Central	70,595	0	72,135	0	0	0	0	0	0
Operation and Maintenance of Plant	0	161,488	0	0	14,689	0	1,377,210	1,745,879	237,058
Pupil Transportation	0	0	0	37,077	45,253	20,837	42,413	0	0
Extracurricular Activities	0	0	0	0	17,951	0	0	0	0
<b>Total Governmental Activities Program Revenues</b>	<b>6,301,405</b>	<b>10,688,746</b>	<b>11,930,303</b>	<b>11,052,588</b>	<b>14,691,850</b>	<b>18,330,047</b>	<b>15,768,843</b>	<b>13,248,672</b>	<b>12,871,891</b>
<b>Business-type Activities:</b>									
Charges for Services									
Food Service	\$ 840,491	\$ 885,967	\$ 819,045	\$ 812,436	\$ 859,248	\$ 830,195	\$ 3,116,049	647,176	627,723
Operating Grants and Contributions	1,661,653	1,844,303	1,843,386	1,578,490	2,364,057	2,289,921	0	2,399,357	2,334,647
<b>Total Business-type Activities Program Revenues</b>	<b>2,502,144</b>	<b>2,730,270</b>	<b>2,662,431</b>	<b>2,390,926</b>	<b>3,223,305</b>	<b>3,120,116</b>	<b>3,116,049</b>	<b>3,046,533</b>	<b>2,962,370</b>
<b>Total Primary Government Program Revenues</b>	<b>8,803,549</b>	<b>13,419,016</b>	<b>14,592,734</b>	<b>13,443,514</b>	<b>17,915,155</b>	<b>21,450,163</b>	<b>18,884,892</b>	<b>16,295,205</b>	<b>15,834,261</b>

(continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>									
Governmental Activities	(69,687,743)	(64,301,972)	(68,050,416)	(66,384,051)	(68,154,177)	(69,332,448)	(67,533,862)	(69,271,513)	(69,938,822)
Business-type Activities	(75,593)	111,638	(15,744)	(314,019)	207,807	(24,135)	(137,629)	148,260	(92,540)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>\$ (69,763,336)</u>	<u>\$ (64,190,334)</u>	<u>\$ (68,066,160)</u>	<u>\$ (66,698,070)</u>	<u>\$ (67,946,370)</u>	<u>\$ (69,356,583)</u>	<u>\$ (67,671,491)</u>	<u>\$ (69,123,253)</u>	<u>\$ (70,031,362)</u>
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental Activities:									
Property Taxes Levied for:									
General Purposes	\$ 34,373,284	\$ 30,077,354	\$ 33,255,486	\$ 28,393,790	\$ 31,469,428	\$ 29,463,435	\$ 26,727,846	25,298,002	\$ 29,145,296
Debt Service	267,286	173,964	165,325	952,421	0	1,750,830	2,398,152	2,456,971	2,610,859
Other Purposes	0	0	0	0	0	0	408,269	412,893	401,634
Grants and Entitlements not									
Restricted to Specific Programs	32,727,126	28,971,881	30,408,503	29,446,131	32,601,312	53,735,625	38,831,619	43,594,198	44,165,628
Investment Earnings	506,654	299,727	441,169	588,635	835,465	2,392,798	244,585	86,613	52,585
Miscellaneous	1,572,814	183,727	316,991	1,335,485	112,603	671,330	879,005	806,609	580,702
Gain from Sale of Capital Assets	0	0	0	0	0	0	0	0	861,343
Transfers	(147,605)	0	0	0	0	0	0	0	0
<i>Total Governmental Activities</i>	<u>69,299,559</u>	<u>59,706,653</u>	<u>64,587,474</u>	<u>60,716,462</u>	<u>65,018,808</u>	<u>88,014,018</u>	<u>69,489,476</u>	<u>72,655,286</u>	<u>77,818,047</u>
Business-type Activities:									
Investment Earnings	483	542	1,668	2,360	2,333	1,251	565	112	144
Transfers	147,605	0	0	0	0	0	0	0	0
<i>Total Business-type Activities</i>	<u>148,088</u>	<u>542</u>	<u>1,668</u>	<u>2,360</u>	<u>2,333</u>	<u>1,251</u>	<u>565</u>	<u>112</u>	<u>144</u>
<i>Total Primary Government</i>	<u>69,447,647</u>	<u>59,707,195</u>	<u>64,589,142</u>	<u>60,718,822</u>	<u>65,021,141</u>	<u>88,015,269</u>	<u>69,490,041</u>	<u>72,655,398</u>	<u>77,818,191</u>
<b>Change in Net Assets</b>									
Governmental Activities	(388,184)	(4,595,319)	(3,462,942)	(5,667,589)	(3,135,369)	18,681,570	1,955,614	3,383,773	7,879,225
Business-type Activities	72,495	112,180	(14,076)	(311,659)	210,140	(22,884)	(137,064)	148,372	(92,396)
<i>Total Primary Government Change in Net Assets</i>	<u>\$ (315,689)</u>	<u>\$ (4,483,139)</u>	<u>\$ (3,477,018)</u>	<u>\$ (5,979,248)</u>	<u>\$ (2,925,229)</u>	<u>\$ 18,658,686</u>	<u>\$ 1,818,550</u>	<u>\$ 3,532,145</u>	<u>\$ 7,786,829</u>

Source: School District financial records

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

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



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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>									
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5,391
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	687,692
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,651,309
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,314,738
Reserved	\$ 4,588,079	\$ 4,476,170	\$ 6,203,101	\$ 4,782,671	\$ 5,573,877	\$ 4,843,019	\$ 2,142,769	\$ 2,961,606	N/A
Unreserved	4,376,261	(87,818)	(4,564,004)	(4,612,445)	(2,809,417)	(3,932,789)	(3,682,599)	(3,112,204)	N/A
<i>Total General Fund</i>	<u>8,964,340</u>	<u>4,388,352</u>	<u>1,639,097</u>	<u>170,226</u>	<u>2,764,460</u>	<u>910,230</u>	<u>(1,539,830)</u>	<u>(150,598)</u>	<u>3,659,130</u>
<b>All Other Governmental Funds</b>									
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,612,239
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(123,875)
Reserved	1,195,833	1,106,076	644,959	1,969,228	407,360	1,242,278	36,636,916	25,215,613	N/A
Unreserved, Undesignated, Reported in:									
Special Revenue Funds	1,124,304	921,203	676,252	1,714,596	2,505,017	2,002,079	756,444	170,086	N/A
Debt Service Fund	0	0	0	27,183	27,183	227,063	829,503	936,109	N/A
Capital Projects Funds	2,606,183	2,057,448	1,503,904	756,482	5,039,861	42,674,720	16,718,713	919,240	N/A
<i>Total All Other Governmental Funds</i>	<u>4,926,320</u>	<u>4,084,727</u>	<u>2,825,115</u>	<u>4,467,489</u>	<u>7,979,421</u>	<u>46,146,140</u>	<u>54,941,576</u>	<u>27,241,048</u>	<u>10,488,364</u>
<i>Total Governmental Funds</i>	<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>\$ 47,056,370</u>	<u>\$ 53,401,746</u>	<u>\$ 27,090,450</u>	<u>\$ 14,147,494</u>

**Source:** School District financial records

Note: Modified accrual basis of accounting. To be consistent with accrual financial statements only nine years are being reported. Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting was implemented July 1, 2010. Table reflects that only for fiscal year 2011. Prior 8 fiscal years were not reclassified.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Property and Other Local Taxes	\$ 32,312,688	\$ 30,060,012	\$ 32,484,610	\$ 32,040,353	\$ 31,183,300	\$ 30,892,056	\$ 29,165,954	\$ 29,384,209	\$ 32,065,632
Intergovernmental	37,609,121	37,522,772	39,566,176	39,672,825	44,543,615	49,267,252	68,328,944	52,907,884	54,617,582
Interest	436,535	274,734	385,568	498,059	723,588	2,319,616	1,504,388	540,613	136,125
Tuition and Fees	1,367,169	1,478,415	1,204,802	1,349,965	1,672,369	1,914,967	1,488,391	1,681,792	1,591,906
Extracurricular Activities	208,441	263,465	255,565	333,198	347,197	360,412	304,241	328,813	260,053
Contributions and Donations	0	0	0	148,045	446,259	200,399	828,639	1,833,837	450,744
Rentals	0	0	0	77,717	77,579	74,311	76,178	87,314	75,965
Charges for Services	261,887	250,386	164,623	2,559	425	0	0	0	0
Miscellaneous	1,217,433	477,723	627,095	1,511,748	223,370	748,506	882,518	794,580	592,730
<b>Total Revenues</b>	<b>73,413,274</b>	<b>70,327,507</b>	<b>74,688,439</b>	<b>75,634,469</b>	<b>79,217,702</b>	<b>85,777,519</b>	<b>102,579,253</b>	<b>87,559,042</b>	<b>89,790,737</b>
<b>Expenditures</b>									
Current:									
Instruction:									
Regular	29,177,819	29,919,369	30,145,146	29,539,837	30,594,294	29,976,879	29,960,875	30,998,387	29,863,714
Special	8,947,016	9,403,221	9,597,893	9,238,499	9,243,533	10,408,901	10,408,188	11,307,386	11,054,715
Vocational	276,238	296,045	350,838	344,886	363,831	361,101	226,607	224,799	234,433
Adult	69,347	68,953	71,619	55,732	77,197	62,930	72,801	88,477	0
Student Intervention Services (1)	0	0	0	0	0	638,592	675,918	362,338	295,731
Other	3,023,391	3,855,812	4,682,829	5,123,266	6,061,018	6,179,830	6,676,199	7,379,141	8,172,429
Support Services:									
Pupils	4,869,487	5,247,102	5,223,783	4,506,386	4,434,255	4,689,388	4,082,001	4,310,813	4,375,148
Instructional Staff	4,969,212	4,677,036	4,884,329	4,364,576	4,537,661	4,933,754	4,937,837	5,115,977	5,163,013
Board of Education	53,309	115,881	82,330	93,169	129,282	51,691	104,943	117,662	0
Administration	5,151,754	5,193,092	5,419,991	5,022,970	5,091,119	5,275,225	4,759,736	4,741,611	5,130,180
Fiscal	1,381,960	1,560,604	1,756,688	1,395,835	1,811,457	1,694,880	1,714,090	1,749,974	1,756,369
Business	944,392	760,545	999,273	1,131,684	671,140	785,067	646,906	630,910	620,267
Operation and Maintenance of Plant	6,394,881	6,352,738	6,272,668	7,351,557	6,719,659	6,813,775	6,869,330	5,494,533	6,160,275
Pupil Transportation	2,481,359	3,095,430	3,198,557	2,562,518	3,062,472	3,236,629	3,198,960	3,263,970	3,118,652
Central	1,500,277	1,157,404	1,395,321	1,129,708	1,253,318	1,259,553	1,326,184	1,294,594	1,453,842
Operation of Non-Instructional Services	1,724,033	1,578,708	1,902,631	1,615,447	1,690,632	1,744,942	1,847,686	1,467,175	1,824,142
Extracurricular Activities	1,366,050	1,393,910	1,367,461	1,272,262	1,328,896	1,216,074	1,404,073	1,259,578	1,223,816
Capital Outlay	391,273	783,234	357,455	6,351,373	201,220	7,392,177	12,501,387	30,503,669	19,876,585
Debt Service:									
Principal Retirement	366,438	375,294	418,049	895,875	576,763	5,582,990	759,594	1,150,874	1,144,683
Interest and Fiscal Charges	83,271	61,614	44,046	380,415	267,322	1,901,235	2,362,890	2,320,498	2,273,834
Issuance Costs	0	0	0	0	0	191,111	0	0	0
<b>Total Expenditures</b>	<b>73,171,507</b>	<b>75,895,992</b>	<b>78,170,907</b>	<b>82,375,995</b>	<b>78,115,069</b>	<b>94,396,724</b>	<b>94,536,205</b>	<b>113,782,366</b>	<b>103,741,828</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>241,767</b>	<b>(5,568,485)</b>	<b>(3,482,468)</b>	<b>(6,741,526)</b>	<b>1,102,633</b>	<b>(8,619,205)</b>	<b>8,043,048</b>	<b>(26,223,324)</b>	<b>(13,951,091)</b>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011 (continued)
<b>Other Financing Sources (Uses)</b>									
Proceeds from Sale of Capital Assets	0	3,299	11,731	0	0	0	2,328	12,028	1,034,795
Bond Anticipation Notes Issued	0	0	0	0	5,000,000	0	0	0	0
Accrued Interest Received on Notes Issued	0	0	0	0	3,533	0	0	0	0
Premium on Bonds	0	0	0	0	0	631,723	0	0	0
General Obligation Bonds Issued	0	0	0	0	0	44,999,971	0	0	0
Inception of Capital Lease	0	0	0	6,915,029	0	0	0	0	0
Transfers In	727,713	279,502	2,400,000	597,608	983,000	1,465,002	4,376,275	2,789,215	0
Transfers Out	(875,318)	(279,502)	(2,400,000)	(597,608)	(983,000)	(2,165,002)	(6,076,275)	(2,889,215)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(147,605)</u>	<u>3,299</u>	<u>11,731</u>	<u>6,915,029</u>	<u>5,003,533</u>	<u>44,931,694</u>	<u>(1,697,672)</u>	<u>(87,972)</u>	<u>1,034,795</u>
<i>Net Change in Fund Balances</i>	<u>\$ 94,162</u>	<u>\$ (5,565,186)</u>	<u>\$ (3,470,737)</u>	<u>\$ 173,503</u>	<u>\$ 6,106,166</u>	<u>\$ 36,312,489</u>	<u>\$ 6,345,376</u>	<u>\$ (26,311,296)</u>	<u>\$ (12,916,296)</u>
 Debt Service as a Percentage of Noncapital Expenditures	 0.62%	 0.58%	 0.59%	 1.68%	 1.08%	 8.82%	 3.80%	 4.17%	 4.67%

**Source:** School District financial records

Note: Modified accrual basis of accounting. To be consistent with accrual financial statements only nine years are being reported.

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

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

Collection Year	Real Property			Tangible Personal Property				Total		Ratio	Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value		
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2002	524,403,510	229,499,350	2,154,008,171	33,609,340	38,192,432	156,666,730	626,666,920	944,178,930	2,818,867,523	33.49%	57.09
2003	528,246,494	232,427,206	2,173,353,429	34,479,990	39,181,807	160,437,610	641,750,440	955,591,300	2,854,285,675	33.48%	56.81
2004	562,129,020	253,380,260	2,330,026,514	31,978,290	36,338,966	146,627,529	586,510,116	994,115,099	2,952,875,596	33.67%	56.73
2005	559,361,640	253,380,260	2,322,119,714	31,978,290	36,338,966	149,394,909	597,579,636	994,115,099	2,956,038,316	33.63%	56.48
2006	565,572,840	256,594,940	2,349,050,800	29,596,200	33,632,045	108,182,189	432,728,756	959,946,169	2,815,411,601	34.10%	56.48
2007	647,833,150	279,420,710	2,649,296,743	28,977,010	32,928,420	72,156,961	288,627,844	1,028,387,831	2,970,853,007	34.62%	59.40
2008	648,931,130	277,184,760	2,646,045,400	20,155,070	22,903,489	35,539,997	142,159,988	981,810,957	2,811,108,877	34.93%	63.30
2009	648,708,757	277,354,880	2,645,896,106	20,633,480	23,447,136	1,595,675	6,382,700	948,292,792	2,675,725,942	35.44%	63.50
2010	594,953,955	273,081,300	2,480,100,729	20,751,820	23,581,614	1,536,543	6,146,172	890,323,618	2,509,828,515	35.47%	64.32
2011	593,435,840	269,224,210	2,464,743,000	21,583,770	24,527,011	0	0	884,243,820	2,489,270,012	35.52%	69.58

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

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

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

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

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

Collection Year	Direct Rates					Overlapping Rates				Total Levy
	Voted			Unvoted	Total	City of Elyria Levy	Lorain County Levy	JVS	Lorain Library District	
	General	Bond	Permanent Improvement							
2002	52.46	0.43	0.00	4.20	57.09	4.20	12.89	2.45	0.00	76.63
2003	52.41	0.20	0.00	4.20	56.81	4.20	12.89	2.45	0.00	76.35
2004	52.33	0.20	0.00	4.20	56.73	4.20	12.89	2.45	0.00	76.27
2005	52.13	0.15	0.00	4.20	56.48	5.20	13.19	2.45	0.00	77.32
2006	56.03	0.00	0.00	4.20	60.23	5.20	13.49	2.45	0.15	81.52
2007	55.20	0.00	0.00	4.20	59.40	5.20	13.49	2.45	0.00	80.54
2008	55.73	2.87	0.50	4.20	63.30	5.20	13.39	2.45	0.00	84.34
2009	55.83	2.97	0.50	4.20	63.50	5.20	13.39	2.45	0.00	84.54
2010	56.38	3.24	0.50	4.20	64.32	6.10	13.39	2.45	0.00	86.26
2011	61.62	3.26	0.50	4.20	69.58	6.10	13.69	2.45	0.00	91.82

**Source:** Office of the County Auditor, Lorain County, Ohio and Department of Taxation

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

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy	Delinquent Tax Receivable
2001	24,464,870	23,683,286	96.81%	591,915	24,275,201	99.22%	781,584
2002	29,540,935	29,399,440	99.52%	1,274,768	30,674,208	103.84%	141,495
2003	32,941,887	31,652,776	96.09%	1,210,319	32,863,095	99.76%	1,289,111
2004	33,139,216	31,391,812	94.73%	1,049,836	32,441,648	97.90%	1,747,404
2005	34,640,923	31,865,879	91.99%	1,257,136	33,123,015	95.62%	1,517,908
2006	35,127,106	32,068,069	91.29%	1,848,562	33,916,631	96.55%	1,210,475
2007	38,817,560	32,698,099	84.24%	2,104,300	34,802,399	89.66%	2,170,765
2008	40,461,300	34,611,161	85.54%	1,990,356	36,601,517	90.46%	2,539,078
2009	40,195,642	31,392,021	78.10%	1,403,790	32,795,811	81.59%	1,322,735
2010	44,020,312	33,012,374	74.99%	1,476,250	34,488,624	78.35%	1,414,892

**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 2011 information cannot be presented because all collections have not been made by June 30, 2011.
- (3) The County information does not provide the applicable year when in which taxes are collected for, included delinquencies. Thus the "total collections" represent the total collections for the year instead of total collections of a particular tax year. As a result "total collection as a percent of a total levy" can exceed 100% in any particular year.

**Elyria City School District**  
**Principal Taxpayers - Real Estate Tax**  
**2010 and 2001**  
**Amount in 000's**

Name of Taxpayer	2010	
	Assessed Value (1)	Percent of Real Property Assessed Value
Ohio Edison	\$ 16,566	0.00%
Centro Midway LLC	13,642	0.00%
New Plan of Midway LLC	7,940	0.00%
First Inertstae Elyria	5,737	0.00%
Hunters Crossing	4,466	0.00%
Invacare Corportation	4,241	0.00%
Elyria United	3,416	0.00%
Midway Realty Company	3,332	0.00%
HK New Plan Exchange	3,205	0.00%
Community Health Partners	3,144	0.00%
Totals	<u>\$65,689</u>	<u>0.01%</u>
Total Assessed Valuation	<u>\$884,243,820</u>	

Name of Taxpayer	2001	
	Assessed Value (1)	Percent of Real Property Assessed Value
Ohio Edison	\$ 22,018	0.00%
Elyria joint Venture	13,492	0.00%
Alltel Ohio	9,771	0.00%
Columbia Gas	7,001	0.00%
First Interstate	5,714	0.00%
West River Road	4,786	0.00%
Sears Roebuck & Company	3,925	0.00%
Invacare Corportation	3,881	0.00%
Lorin Medical Investors	3,468	0.00%
Elyria Untied Methodist Village	3,011	0.00%
Totals	<u>\$77,067</u>	<u>0.01%</u>
Total Assessed Valuation	<u>\$944,178,930</u>	

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

Source: City of Elyria comprehensive annual financial report, for the year ended December 31, 2010

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

Fiscal Year	Population (1 & 4)	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	Percentage of Personal Income
2002	55,808	944,178,930	1,360,000	855,140	504,860	0.05	9.05	0	1,360,000	0.14%	0.13%
2003	55,716	955,591,300	1,050,000	734,399	315,601	0.03	5.66	0	1,050,000	0.11%	0.10%
2004	55,822	994,115,099	720,000	540,747	179,253	0.02	3.21	139,216	859,216	0.09%	0.08%
2005	55,718	994,115,099	370,000	329,415	40,585	0.00	0.73	71,167	441,167	0.04%	0.04%
2006	55,284	959,946,169	0	27,183	(27,183)	(0.00)	(0.49)	6,460,321	6,460,321	0.67%	0.60%
2007	55,018	1,028,387,831	5,000,000	27,183	4,972,817	0.48	90.39	5,883,558	10,883,558	1.06%	1.02%
2008	55,007	981,810,957	44,999,971	545,755	44,454,216	4.53	808.16	6,525,568	51,525,539	5.25%	n/a
2009	54,947	948,292,792	44,919,971	977,337	43,942,634	4.63	799.73	5,845,974	50,765,945	5.35%	n/a
2010	55,953	890,323,618	44,324,971	1,070,804	43,254,167	4.86	773.04	5,290,100	49,615,071	5.57%	n/a
2011	55,953	884,243,820	43,639,971	1,216,235	42,423,736	4.80	758.20	4,830,417	48,470,388	5.48%	n/a

**Sources:** (1) U.S. Bureau of Census, Census of Population  
Years 2002 through 2009 - 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**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Tax Valuation	\$ 944,178,930	\$ 955,591,300	\$ 994,115,099	\$ 994,115,099	\$ 959,946,169	\$ 1,028,387,831	\$ 981,810,957	\$ 948,292,792	\$ 890,323,618	\$ 884,243,820
Debt Limit - 9% of Taxable Valuation (1)	\$ 84,976,104	\$ 86,003,217	\$ 89,470,359	\$ 89,470,359	\$ 86,395,155	\$ 92,554,905	\$ 88,362,986	\$ 85,346,351	\$ 80,129,126	\$ 79,581,944
Amount of Debt Applicable to Debt Limit										
General Obligation Bonds	1,360,000	1,050,000	720,000	370,000	0	0	44,999,971	44,919,971	44,324,971	43,639,971
Less: Amount Available in Debt Service	(855,140)	(734,399)	(540,747)	(329,415)	(27,183)	(27,183)	(545,755)	(977,337)	(1,070,804)	(1,216,235)
Amount of Debt Subject to Limit	504,860	315,601	179,253	40,585	(27,183)	4,972,817	44,454,216	43,942,634	43,254,167	42,423,736
Legal Debt Margin	\$84,471,244	\$85,687,616	\$89,291,106	\$89,429,774	\$86,422,338	\$87,582,088	\$43,908,770	\$41,403,717	\$36,874,959	\$ 37,158,208
Legal Debt Margin as a Percentage of the Debt Limit	99.41%	99.63%	99.80%	99.95%	100.03%	94.63%	49.69%	48.51%	46.02%	46.69%
Unvoted Debt Limit - 10% of Taxable Valuation (1)	\$ 944,179	\$ 955,591	\$ 994,115	\$ 994,115	\$ 959,946	\$ 1,028,388	\$ 981,811	\$ 948,293	\$ 890,324	\$ 884,244
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** Lorain County Auditor and School District Financial Records

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

**Elyria City School District**  
**Computation of Direct and Overlapping**  
**Debt Attributable to Governmental Activities**  
**June 30, 2011**

	<u>Debt Attributable to Governmental Activities</u>	<u>Percentage Applicable to School District (2)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct Debt:			
Payable from Property Taxes Elyria City School District	\$ 43,639,971	100.00%	\$ 44,324,971
Overlapping:			
City of Elyria (1) General Obligation Bonds	\$ 24,581,362	13.29%	\$ 3,266,863
Lorin County (1) General Obligation Bonds	<u>30,005,000</u>	90.61%	<u>27,187,531</u>
Total Overlapping Debt	<u>54,586,362</u>		<u>30,454,394</u>
Total Direct and Overlapping Debt	<u>\$ 98,226,333</u>		<u>\$ 74,779,365</u>

Source: (1) City of Elyria comprehensive annual financial report,  
for the year ended December 31, 2010

(2) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2011 collection year.

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  
Demographic and Economic Statistics  
Last Ten Years**

Year	Elyria CSD Area Population (1)	Lorain County Population	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)	Median Income
2002	55,808	286,878	1,079,549,952	19,344	5.70%	27,969
2003	55,716	289,327	1,077,770,304	19,344	5.70%	27,400
2004	55,822	293,155	1,079,820,768	19,344	5.90%	27,045
2005	55,718	295,517	1,077,808,992	19,344	7.90%	26,872
2006	55,284	299,111	1,069,413,696	19,344	7.40%	27,248
2007	55,018	301,628	1,064,268,192	19,344	6.10%	26,559
2008	55,007	303,972	1,064,055,408	19,344	7.20%	27,244
2009	54,947	304,639	1,062,894,768	19,344	10.10%	27,253
2010	54,533	301,356	1,144,484,071	20,987	9.80%	27,160
2011	54,533	301,356	1,144,484,071	20,987	8.50%	25,973

**Sources:** 1) US Bureau of Census, Census of Population.  
(a) Years 2001 and 2010 - 2000 Federal Census  
2) Ohio Department of Taxation  
3) U.S. Department of Labor

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

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

Employer	2010			2001		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Lorain County Community College	2,154	1	7.43%	475	7	1.66%
EMH Regional Medical Center	1,743	2	6.01%	1,073	4	3.74%
Lorain County	1,483	3	5.11%	1,296	1	4.52%
Elyria City Schools	1,020	4	3.52%	1,170	2	4.08%
Invacare Corp.	991	5	3.42%	1,150	3	4.01%
Ridge Tool Company	583	6	2.01%	900	5	3.14%
The City of Elyria	495	7	1.71%	552	6	1.92%
Bendix Commercial Vehicle Systems LLC	382	8	1.32%	N/A	N/A	0.00%
Parker Hannifin Corporation	320	9	1.10%	N/A	N/A	0.00%
Elyria Foundry Company	304	10	1.05%	N/A	N/A	0.00%
Elyria United Methodist Village	N/A	N/A	0.00%	400	8	1.39%
Honeywell/Bendix	N/A	N/A	0.00%	385	9	1.34%
Englehard Corporation	N/A	N/A	0.00%	320	10	1.11%
Total	<u>9,475</u>		<u>32.68%</u>	<u>7,721</u>		<u>26.91%</u>
Total Employment within the School District	<u>29,000</u>			<u>28,700</u>		

(1) The information was not available for 2011.

Source: City of Elyria comprehensive annual financial report,  
for the year ended December 31, 2010

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Regular instruction								
Elementary classroom teachers	275.34	286.50	294.44	214.30	204.70	200.80	200.15	225.00
High school classroom teachers	97.82	99.68	101.50	170.20	160.60	160.60	149.80	134.00
Special instruction								
Elementary classroom teachers	45.30	48.49	50.42	72.50	70.26	75.49	63.92	30.00
Supplemental Service Teacher	9.70	9.50	11.50	27.60	29.77	30.15	35.15	23.90
High school classroom teachers	20.40	22.50	23.00	37.00	37.00	37.00	27.00	25.00
Vocational instruction								
High school classroom teachers	2.00	2.00	2.00	2.00	4.00	0.00	0.00	3.00
Pupil support services								
Adapted Physical Education Therapist	2.00	2.50	2.40	1.60	1.60	1.60	1.50	1.00
Curriculum Specialist	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Educational Services Teacher	6.20	6.00	7.80	9.20	9.10	0.00	0.00	0.00
Guidance counselors	1.00	1.00	32.00	27.20	29.00	23.00	22.02	21.02
Librarians	2.00	1.00	9.00	27.90	21.00	24.15	12.90	12.65
Nurse	0.67	0.67	5.00	5.00	5.00	5.00	5.00	5.00
Occupational Therapist	5.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00
Other Professional - Educational	9.20	10.60	12.00	27.00	27.00	43.00	33.00	32.00
Physical Therapist	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Psychologists	1.00	1.00	17.00	8.80	8.75	13.32	12.32	20.32
Remedial Specialist	26.00	29.50	30.14	32.50	28.50	15.50	20.50	15.65
Social Work	1.00	1.00	1.00	4.20	4.29	2.15	2.05	2.15
Speech and language pathologists	8.70	9.68	10.36	11.00	10.92	9.93	9.93	9.50
Teacher Mentor/Evaluator	12.00	12.00	12.00	15.00	35.00	30.00	11.00	18.00
Tutor/Small Group Instructor	28.40	29.50	31.01	16.00	24.60	7.35	5.96	3.76
Administrators								
Elementary	22.00	22.10	23.00	23.00	15.00	14.00	11.00	11.00
High school	18.00	20.00	22.00	22.00	11.00	13.00	7.00	12.00
Operation of plant								
Custodians	5.00	5.00	5.00	56.50	56.25	53.25	41.25	41.25
Maintenance	2.00	2.00	2.00	16.00	17.00	17.00	17.00	17.00
Food service program								
Cooks	17.50	19.00	17.00	19.00	18.00	18.00	18.00	20.00

**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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Elyria High School</b>										
Constructed in 1894										
Total building square footage	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207	247,207
Enrollment grades 9-12	2,022	1,886	1,977	2,010	2,059	2,087	2,008	2,069	2,076	2,323
Student capacity	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832	1,832
<b>Eastern Heights Middle High School</b>										
Constructed in 1969										
Total building square footage	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820
Enrollment grades 7 - 8	380	411	410	397	410	374	362	593	602	557
Student capacity	601	601	601	601	601	601	601	601	601	601
<b>Northwood Middle High school</b>										
Constructed in 1961										
Total building square footage	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076
Enrollment grades 7 - 8	475	490	485	433	409	407	420	443	589	548
Student capacity	487	487	487	487	487	487	487	487	487	487
<b>Westwood Middle High School</b>										
Constructed in 1970										
Total building square footage	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226
Enrollment grades 7 - 8	413	407	438	418	393	377	386	361	474	456
Student capacity	466	466	466	466	466	466	466	466	466	466
<b>Hilltop Academy</b>										
Constructed in 2001										
Total building square footage	15,745	15,745	15,745	15,745	15,745	15,745	15,745	15,745	Closed	Closed
Enrollment grades 6 - 9	29	33	31	25	26	19	24	21		
<b>Cascade Elementary</b>										
Constructed in 1929										
Total building square footage	35,472	35,472	35,472	35,472	35,472	35,472	35,472	Closed	Closed	Closed
Enrollment grades K - 6	366	352	351	333	295	248	250			
Student capacity	550	550	550	550	550	550	550			
<b>Crestwood Elementary</b>										
Constructed in 1955										
Total building square footage	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018
Enrollment grades K - 6	447	427	434	381	374	348	307	364	371	324
Student capacity	625	625	625	625	625	625	625	625	625	625

(continued)

***Elyria City School District***

**Building Statistics**

**Last Ten Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Eastgate Elementary</b>										
Constructed in 1961										
Total building square footage	38,957	38,957	38,957	38,957	38,957	38,957	38,957	Closed	Closed	Closed
Enrollment grades K - 6	358	337	334	305	282	277	317			
Student capacity	575	38,957	38,957	38,957	38,957	38,957	38,957			
<b>Ely Elementary</b>										
Constructed in 1920										
Total building square footage	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174
Enrollment grades K - 6	442	426	415	398	361	350	366	520	510	500
Student capacity	550	550	550	550	550	550	550	550	550	550
<b>Erie Elementary</b>										
Constructed in 1969										
Total building square footage	36,183	36,183	36,183	36,183	36,183	36,183	36,183	36,183	Closed	Closed
Enrollment grades K - 6	306	310	316	299	283	275	267	307		
Student capacity	375	375	375	375	375	375	375	375		
<b>Franklin Elementary</b>										
Constructed in 1950										
Total building square footage	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275
Enrollment grades K - 6	398	307	274	270	293	321	382	373	474	466
Student capacity	800	800	800	800	800	800	800	800	800	800
<b>McKinley Elementary</b>										
Constructed in 1907										
Total building square footage	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273
Enrollment grades K - 6	352	343	351	353	346	362	388	381	422	418
Student capacity	550	550	550	550	550	550	550	550	550	550
<b>Oakwood Elementary</b>										
Constructed in 1961										
Total building square footage	35,556	500	500	500	500	500	500	500	500	500
Enrollment grades 1 - 6	350	360	364	370	360	350	308	292	341	352
Student capacity	450	450	450	450	450	450	450	450	450	450
<b>Prospect Elementary</b>										
Constructed in 1965										
Total building square footage	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401
Enrollment grades K - 6	381	367	381	354	344	316	303	416	459	414
Student capacity	500	500	500	500	500	500	500	500	500	500

(continued)

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Roosevelt Elementary</b>										
Constructed in 1922										
Total building square footage	61,861	61,861	61,861	61,861	61,861	61,861	61,861	61,861	Closed	Closed
Enrollment grades K - 6	449	448	461	406	345	341	345	293		
Student capacity	650	650	650	650	650	650	650	650		
<b>Windsor Elementary</b>										
Constructed in 1963										
Total building square footage	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201
Enrollment grades K - 6	426	409	408	417	426	398	386	400	465	457
Student capacity	675	675	675	675	675	675	675	675	675	675
<b>Kindergarten Village</b>										
Constructed in 1999										
Total building square footage	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369
Enrollment grades K - 1	314	311	324	318	305	335	353	271	185	182
<b>Spring Valley Early Childhood Center</b>										
Constructed in 1996										
Total building square footage	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785
Enrollment grades n/a	44	41	44	43	41	85	244	291	144	151

**Source:** School District Records.



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

Fiscal Year	Expenses (1)	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio
2002	n/a	8,090	n/a	n/a	556	14.6
2003	\$ 78,566,885	7,820	\$ 10,047	n/a	561	13.9
2004	77,609,350	7,815	9,931	-116%	537	14.6
2005	82,658,894	7,528	10,980	1057%	536	14.0
2006	80,141,584	7,335	10,926	-49%	491	14.9
2007	85,861,525	7,277	11,799	7.99%	491	14.8
2008	85,796,656	7,315	11,729	-0.59%	483	15.1
2009	86,556,383	7,289	11,875	1.25%	503	14.5
2010	85,418,458	7,131	11,978	0.87%	522	13.7
2011	85,791,295	7,148	12,002	0.20%	525	13.6

Source: School District Records.

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

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

***Elyria City School District***  
**Teachers' Salaries**  
**Last Ten Fiscal Years**

Fiscal Year	Minimum Salary <sup>1</sup>	Average Salary <sup>2</sup>	Average Salary Comparable Districts <sup>3</sup>	Statewide Average Salary <sup>4</sup>
2002	29,777	43,382	48,213	43,755
2003	27,738	45,736	50,557	45,645
2004	28,792	48,112	52,549	47,659
2005	29,512	49,137	55,419	49,438
2006	29,512	49,171	58,590	50,772
2007	29,512	51,554	57,736	53,536
2008	31,155	50,673	58,390	53,410
2009	31,934	51,535	60,208	54,656
2010	32,573	54,101	60,329	55,958
2011	33,859	55,915	59,976	56,715

**Source:** School District Records.

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

***Elyria City School District***  
**Teachers by Education**  
**Last Ten Fiscal Years**

<u>Degree</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Bachelor's Degree	337	395	318	324	469	484	184	143	133	141
Master's Degree	288	267	263	216	271	300	421	389	386	381
Doctorate	3	5	2	2	3	3	4	2	3	3
Total	<u>628</u>	<u>667</u>	<u>583</u>	<u>542</u>	<u>743</u>	<u>787</u>	<u>609</u>	<u>534</u>	<u>522</u>	<u>525</u>

**Source:** School District Records.

*Elyria City School District*

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	High Schools	Total
2002	6,039	2,051	8,090
2003	5,901	1,919	7,820
2004	5,807	2,008	7,815
2005	5,493	2,035	7,528
2006	5,250	2,085	7,335
2007	5,171	2,106	7,277
2008	5,236	2,079	7,315
2009	5,193	2,096	7,289
2010	5,055	2,076	7,131
2011	4,825	2,323	7,148

**Source:** Ohio Department of Education.

***Elyria City School District***  
**Nutrition Services**  
**Last Ten Fiscal Years**

<u>Degree</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Average daily membership	7,148	7,131	7,289	7,315	7,277	7,335	7,528	7,815	7,820	8,090
Total students eligible for free lunch	3,459	3,460	3,566	3,495	3,479	3,352	3,291	2,946	2,736	2,530
Participation percent	48%	49%	49%	48%	48%	46%	44%	38%	35%	31%
Total student eligible for reduced lunch	451	496	695	623	699	663	677	757	702	756
Participation percent	6%	7%	10%	9%	10%	9%	9%	10%	9%	9%
Total	<u>3,910</u>	<u>3,956</u>	<u>4,261</u>	<u>4,118</u>	<u>4,178</u>	<u>4,015</u>	<u>3,968</u>	<u>3,703</u>	<u>3,438</u>	<u>3,286</u>

**Source:** Ohio Department of Education.

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

Fiscal Year	Elyria CSD Average	State Average
2002	14.15	16.90
2003	14.19	16.50
2004	14.42	18.50
2005	14.13	18.50
2006	14.97	18.60
2007	15.45	19.60
2008	15.14	18.60
2009	14.49	n/a
2010	14.58	n/a
2011	13.20	n/a

**Source:** Ohio Department of Education.

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

Fiscal Year	Elyria CSD Attendance Rate	State Average	Elyria CSD Graduation Rate	State Average
2002	93.40%	94.30%	82.80%	82.70%
2003	94.20%	94.50%	82.10%	84.30%
2004	94.50%	94.50%	80.50%	85.90%
2005	94.60%	94.30%	84.40%	86.20%
2006	94.70%	94.10%	89.30%	86.10%
2007	94.30%	94.10%	91.50%	86.90%
2008	94.90%	94.20%	89.60%	84.60%
2009	94.30%	94.30%	89.60%	83.00%
2010	94.30%	94.30%	92.40%	84.30%
2011	94.30%	94.50%	n/a	n/a

**Source:** Ohio Department of Education.

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# Dave Yost • 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 29, 2012