



Dave Yost • Auditor of State

OHIO AUDITOR OF STATE
KEITH FABER



January 22, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

Ohio Auditor of State

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ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY

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**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Passed Through Entity Identifying Number	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture				
<i>Passed Through the Ohio Department of Education:</i>				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	\$ 1,647,159	\$ 215,575
National School Breakfast Program	10.553	N/A	748,529	
Summer Food Service Program for Children	10.559	N/A	49,268	
Total Child Nutrition Cluster			<u>2,444,956</u>	<u>215,575</u>
Total U.S. Department of Agriculture			<u>2,444,956</u>	<u>215,575</u>
U.S. Department of Education				
<i>Passed Through the Ohio Department of Education:</i>				
Special Education Cluster:				
Special Education-Grants to States FY17	84.027	N/A	205,406	
Special Education-Grants to States FY18	84.027	N/A	1,471,719	
Preschool Grant FY17	84.173	N/A	9,491	
Preschool Grant FY18	84.173	N/A	37,313	
Total Special Education Cluster			<u>1,723,929</u>	
Title I:				
Title I Grants to Local Educational Agencies FY17	84.010	N/A	390,187	
Title I Grants to Local Educational Agencies FY18	84.010	N/A	2,055,694	
Title I School Improvement Grant FY18	84.010	N/A	134,076	
Total Title I Cluster			<u>2,579,957</u>	
Improving Teacher Quality State Grants FY17	84.367	N/A	54,016	
Improving Teacher Quality State Grants FY18	84.367	N/A	283,332	
Total Improving Teacher Quality State Grants			<u>337,348</u>	
Title III LEP FY17	84.365	N/A	2,784	
Title III LEP FY18	84.365	N/A	20,390	
Total Title III LEP			<u>23,174</u>	
Title IV Student Support FY18	84.424	N/A	32,242	
Total Title IV			<u>32,242</u>	
Total U.S. Department of Education			<u>4,696,650</u>	
Total Federal Assistance			<u>\$ 7,141,606</u>	<u>\$ 215,575</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Elyria City School District (the District's) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

The District does not provide funds to subrecipients.

NOTE D - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE E – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2018 to 2019 programs:

<u>Program Title</u>	<u>CFDA NUMBER</u>	<u>AMOUNT TRANSFERRED</u>
Title I Grants to Local Educational Agencies	84.010	\$341,706
Improving Teacher Quality State Grants	84.367	\$187,468
Title III LEP	84.365	\$6,901
Title IV Student Support	84.424	\$15,906
Special Education - Grants to States	84.027	\$143,711
Preschool Grant	84.173	\$1,715



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elyria City School District, Lorain County, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 27, 2018, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We also noted the beginning fund balances for the Debt Service Fund and Building Capital Projects Fund were restated to reflect a revision in accounting for the retirement of short-term notes in the prior year.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 27, 2018



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Elyria City School District
Lorain County
42101 Griswold Road
Elyria, Ohio 44135

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Elyria City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Elyria City School District's major federal programs for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the Elyria City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elyria City School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 27, 2018. Our opinion also explained that the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75 during the year. We also noted the beginning fund balances for the Debt Service Fund and Building Capital Projects Fund were restated to reflect a revision in accounting for the retirement of short-term notes in the prior year. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 27, 2018

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**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Title I – Grants to Local Educational Agencies/School Improvement Grant - CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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Elyria City School District
Lorain County, Ohio

**Comprehensive Annual
Financial Report**

For Fiscal Year Ended June 30, 2018

Issued by: Office of the Treasurer

Joy Clickenger
Treasurer

Elyria City School District

Lorain County, Ohio



Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2018

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Lorain County, Ohio
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The Elyria City School District

Ensuring that each child reaches his or her full potential



December 27, 2018

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 School District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the School District. This CAFR for the year ended June 30, 2018 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).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

The School District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels, and a broad range of co-curricular and extracurricular activities, 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 Early College Program. In addition, the School District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations and the vocational school operations do not meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

GENERAL INFORMATION CONCERNING THE BOARD AND THE SCHOOL DISTRICT

The Reporting Entity

The School District reporting entity has been defined in accordance with GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34*. The reporting unit is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the School District are not misleading. The primary government of the School District consists of all funds.

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

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

The Board of Education and the Administration

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

The Superintendent of Schools (the "Superintendent"), appointed by the Board for a term not longer than five years, is the chief executive officer of the School District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The Superintendent, Dr. Thomas G. Jama, has been Superintendent since July 24, 2015.

The Treasurer is the Chief Financial Officer of the Board and the School District and is, pursuant to statutory requirements, appointed by the Board for a term not to exceed five years. The Treasurer reports directly to the Board. Ms. Joy Clickenger became the Treasurer on March 17, 2016.

The School District and Its Facilities

The School District is located in the City of Elyria in Lorain County, Ohio. In fiscal year 2017-2018, there were 6,269 students enrolled in the School District. The School District currently operates seven elementary schools, three middle schools, one high school, and one special education pre-school. The School District maintains one administrative facility that houses an all-day every day Kindergarten and a Pre-School of 366 students, all central functions for the School District including all maintenance functions and a central kitchen for its food service program. The School District serves as the primary education provider for high incidence special education programs, which provide special curricula and skills programs for students from all of Lorain County and surrounding school districts.

Employee Relations and Benefits

For 2018, the School District employed 774 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2018, the School District paid from its general fund \$37,447,314 in salaries and \$14,426,993 in fringe benefits including Medicare, employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, life insurance and health/Rx, vision, life and dental insurance premiums.

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

A collective bargaining agreement with the Elyria Education Association (EEA) expires July 31, 2020. The collective bargaining agreement with the Elyria School Support Staff (ESSS) expires December 31, 2020.

The School District provides medical health insurance coverage to its employees through Medical Mutual Insurance Company. The prescription drug program is provided to eligible employees through CVS Caremark. The School District provides life insurance and accidental death and dismemberment insurance to eligible employees through Unum Life. Dental insurance is provided to eligible employees through Delta Dental of Ohio and vision insurance is provided through VSP. All School District employees participate in either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS). The School District made required contributions for pension and other postemployment benefits (OPEB) obligations to these Systems on behalf of its employees in the amount of \$6,604,661 during the 2018 fiscal year.

ECONOMIC CONDITION AND OUTLOOK

Taxes

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

Taxes collected from "Real Property" (other than Public Utilities) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Public Utility real 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% 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% of its current agricultural use value (CAUV). Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its true value.

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 eliminated the collection of tangible personal property tax.

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

School Foundation

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

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

During the fiscal year ended June 30, 2018, the School District received \$39,326,019 of State support for its general fund.

Local Economy

Elyria has a history of manufacturing and fabricating industries dominating the city's work force; however, in recent years the city's largest employers are more service-oriented. The largest employer at the end of calendar year 2018 was Lorain County Community College accounting for 7.77% of the city's employment, followed by University Hospital with 7.65%, Lorain County Government with 6.9%. (Source: City of Elyria Comprehensive Annual Financial Report 2017).

The rate of unemployment, at the end of the fiscal year 2018, for Lorain County was 6.3%, down by 0.5% from last fiscal year. (Source: Bureau of Labor Statistics).

Within the boundaries of the School District is the Midway Shopping Mall, which is anchored by four major department stores, The Home Depot, Dick's Sporting Goods, a major food chain store (Giant Eagle), and a large retail department store (Target). Also, within the boundaries, is the University Hospital (Elyria Memorial) system. Additionally, the School District has numerous specialty shops, chain restaurants and other eateries.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Curriculum Initiatives

The School District has updated the K-12 course of study with new materials to complement the new core and state standards. Many educators also are implementing programs such as; Lucy Caulkins Units of Study, Newsela, Smarty Ants, Achieve3000, IXL, enVisionmath 2.0, Read 180, Shared Inquiry and several early literacy programs. We received a Striving Readers Grant from the state for \$1,054,000 to implement literacy programming at the middle years. We have implemented STEM Pathways and our maker movement is in high gear. The School District is expanding its preschool population through both ECE programs and privately funded partnerships. The Elyria Schools offers a successful all-day kindergarten program at no cost to parents.

Classroom Technology

The School District has a standard for use of technology and uses fiber optics and a Wide Area Network (WAN) to all of its buildings to accommodate the use of administrative and instructional technology. The School District's schools are PC based and Smart boards are in use district wide and quickly expanding to meet the needs of all staff and students. Acquisitions of computers are made annually to supplement existing computers to provide students with the latest hardware and software technology and to replace outdated equipment. We have recently upgraded computers to classroom sets of Chromebooks. 5,353 Chromebooks were purchased.

School District Academic Progress

Elyria Schools continues to make progress academically during the transition of the State Report Card.

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 District is divided into four houses. Students remain in the same homeroom and house throughout high school.

Elyria High School has been 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 recovery concept that keeps struggling students on track for graduation. Elyria High School graduates nearly 90% of its students in four years. Many college preparatory courses and honors programs are offered.

Academic Services

The School District offers numerous academic programs, including honors and advanced placement courses, College Credit Plus, gifted and talented education opportunities, comprehensive special education programming and services for English-as-a-second-language students.

The School District 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 kindergarten program show significant achievement in reading and math well past kindergarten years.

The School District offers an expansive preschool program with attendance of more than 250 three and four year olds.

The School District offers more than 550 Smart boards in classrooms throughout the School 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. The School District is also a BYOD district and we have many devices for students to use. The School District has moved towards 1:1 Chromebooks in grades 3-8 over the last few years. Through grant funding, the School District has created several Makers Spaces and TechE Clubs.

Through state and federal funding, the School District has been able to advance professional development, provide specialized instructors for key content areas, and gain access to sophisticated progress-monitoring technologies. The School District teachers are 100% highly qualified and trained in many disciplines.

Special Education

- The School District's special education department offers a wide continuum of services—13 disability areas and many related services. The School District serves approximately 1,300 students identified with a disability. Most of these students are School District residents attending Elyria Schools; however a number of outside residents are served through the School District's comprehensive special education programming.
- The School District offers programming for students with moderate to intensive needs and programming for students with emotional/behavioral needs grades pre-K through 12.
- The School District enjoys successful inclusion/teaming practices: general education teachers and intervention specialists work together so that students with disabilities have access to the general education curriculum and are involved with typical peers to the fullest extent possible.
- The School District has been recognized at the state level for its inclusive efforts: The staffs of Elyria High School and Westwood Junior High School are recipients of the Walter-Horn Award for Partnering for Progress.
- The School District's special education staff has been recognized for programming and instruction for students with autism.
- The School District hosts the yearly regional Special Olympics at Ely Stadium and year-long activities such as bowling, golf and basketball.
- Of the School District's alternate assessment scores (Alternate Assessment is a testing option for students with the most severe disabilities), most are accelerated or advanced.

Treasurer's Department Focus

The Treasurer's office works continuously to improve the department by increasing efficiency and effectiveness:

- Perfected the use of electronic purchase order processing throughout the District.
- Attended professional development to enhance our data collection and usage skills.

- Use the School District’s updated web page as a community resource for Board of Education and Financial Service information on the School District.
- Board Policy manual was converted to an electronic file available to the public on our School District website.
- Internal controls are in place and being monitored continuously.
- Software was evaluated and/or implemented for OFCC reporting, cyber security, and enhanced functions.

For the Future

The School District will continue to investigate cost reduction possibilities while offering as many options as needed for student success.

The School District continues to develop its technology system to allow all teachers and students access to the Internet and provide cyber security for the District. Teachers and administrators have immediate access to School District information on students, budget and staff.

The State of Ohio approved a new Ohio Facility Construction Commission (OFCC) project to replace all of the School District elementary and middle schools. The residents of Elyria School District passed a bond issue for the local share and locally funded initiatives including a sports complex in November 2016. Demolition of some buildings is complete and ground breaking has begun. A renewal levy for 4.95 mills, originally passed in 1999 and was renewed again in November 2018. This renewal secures \$3.8 million necessary for School District operations.

FINANCIAL INFORMATION

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

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

Fiscal Management

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

Budgetary Controls

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

Internal Controls

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

FINANCIAL CONDITION

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

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

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

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

Management is responsible for preparing a discussion and analysis for the School District. This discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2018. Because that discussion focuses on major funds, other non-major funds are discussed briefly in this letter.

Financial Highlights – Internal Service Fund The largest internal service fund carried on the financial records is related to self-insurance. This fund accounts for the revenues and expenses related to the provision of medical benefits to the School District employees. The Self Insurance fund had a net position of \$1,892,527 including reserve for fiscal year 2018.

Financial Highlights – Fiduciary Funds The trust fund carried on the financial records of the School District is a private purpose trust that has net position totaling \$512,104 for fiscal year 2018.

FINANCIAL POLICIES

The Board has incorporated policies to improve the financial viability of the School District both in the short and long term. The School 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 School District.

In the past, the School District implemented (with the aid of 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. To save costs and improve efficiency and effectiveness the Board has closed, demolished and consolidated buildings to better fit the student population and adjust for demographic shifts. Soon the district will have all new buildings that will operate with savings due to new efficient mechanical systems

On the revenue side the Board has focused on early passage of renewals with 100% success. New money was requested in 2010 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 School District, with the particular emphasis placed on the utilization of resources during fiscal year 2018. Further, this report will serve as a guide to formulating policies and conducting the School District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it. All disclosures necessary to enable the reader to gain the maximum understanding of the School District's financial affairs have been included.

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

OTHER INFORMATION

Independent Audit: Provisions of State statute require the School District's financial statements to be subjected to an annual examination by the Auditor of State or an independent auditor contracted by the Auditor of State. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Uniform Grant Guidance. The Auditor of State performed the audit for the fiscal year ended June 30, 2018. The auditor's unmodified opinion rendered on the School District's basic financial statements, and their report on the combining and individual fund statements and schedules, is included in the financial section of this CAFR.

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

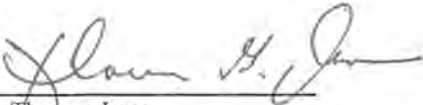
AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Elyria Schools for its Comprehensive Annual Financial Report for the year ended June 30, 2017. 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 this report could not have been accomplished without the efficient and dedicated services of the Treasurer, and the staff of the Treasurer’s Office. We want to express our appreciation to all who assisted and contributed to its preparation. We would like to acknowledge all members of the Board of Education who have expressed their interest and support in planning and conducting the financial operations of the School District in a fiscally responsible, professional and progressive manner.



Dr. Thomas Jama
Superintendent/CEO



Joy Chickenger
Treasurer/CFO

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

<i>Board Members</i>	<i>Began Service</i>	<i>Term Expires</i>
<i>Kevin Brubaker, President</i>	March 10, 2015	December 31, 2019
<i>Annie Carstarphen, Vice President</i>	January 1, 2013	December 31, 2021
<i>Gregory Elek, Member</i>	January 1, 2012	December 31, 2019
<i>James Backs, Member</i>	May 20, 2015	December 31, 2021
<i>Michael Gebhardt, Member</i>	January 1, 2004	December 31, 2019

Superintendent/Chief Executive Officer

The Superintendent is the executive officer of the School District and is responsible for administering policies adopted by the Board of Education. The Superintendent/CEO is expected to provide leadership in all phases of policy formulation and is the chief advisory to the Board on all aspects of the educational program and total operation of the School District.

Treasurer/Chief Financial Officer

The Treasurer/CFO serves as the fiscal officer of the School District and, with the Board President, executes all conveyances made by the Board of Education.

2017-2018 ELYRIA CITY SCHOOL DISTRICT, OHIO

Management Team

Dr. Thomas Jama	Superintendent of Schools/CEO
Joy Clickenger	Treasurer/CFO
Anne Holton	Assistant Treasurer
Gary Taylor	Director, Human Resources
Amy Higgins	Director, Communications & Marketing
Ann Schloss	Director, Academic Services
Ramona Mendak	Assistant Director of Academic Services
Amy Keir	Content Area Specialist
Kathy Koepp	Content Area Specialist
Brian Kokai	Director, Information Technology
James Wall	Director, Business Services
Heather Beck	Athletic Director
Tera Fridley	Director of Food Services, Sodexo
Nikki McDaniels	Supervisor for Transportation, First Student
Tim Brown	Elyria High School Principal
Kimberly Benetto	Eastern Heights Middle School Principal
Michael Basinski	Northwood Middle School Principal
Theresa Lengel	Westwood Middle School Principal
Steven Grossman	Crestwood Elementary Principal
Jack Dibee	Ely Elementary Principal
Jackie Plantner	Elyria Early Childhood Village (EECV) Principal

(continued)

Virginia Fitch

McKinley Elementary Principal

Lisa Licht

Franklin Elementary Principal

Joy Jones

Oakwood Elementary Principal

Jessica Barwacz

Prospect Elementary Principal

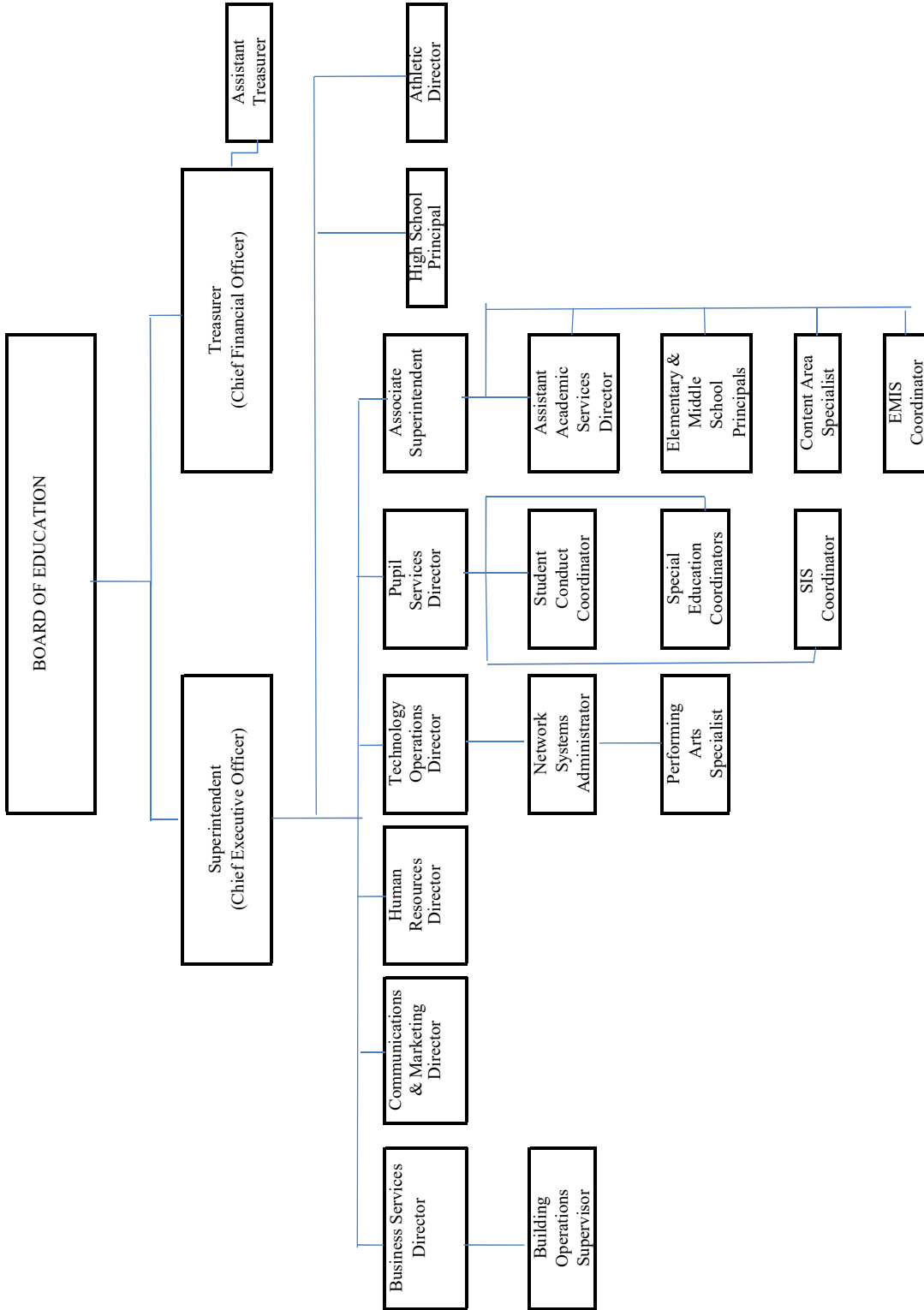
Miranda Roscoe

Windsor Elementary Principal

Allen Senkovich

Alternative School

ELYRIA CITY SCHOOL DISTRICT
ORGANIZATIONAL CHART





Government Finance Officers Association

**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, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Elyria City School District
Lorain County
42101 Griswold Road
Elyria, Ohio 44135

To the Board of Education:

Report on the Financial Statements

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 the Elyria City School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Also, as discussed in Note 2 to the financial statements, during 2018, the beginning fund balances of the Debt Service Fund and Building Capital Projects Fund were restated to reflect a revision in accounting for the retirement of short-term notes in the prior year. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 27, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 27, 2018

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Elyria City School District
Lorain County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

The discussion and analysis of the 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, 2018. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- Net position increased \$46,212,111 during fiscal year 2018 primarily due to the decrease in the School District's net pension liability. The net pension liability decrease represents the School District's proportionate share of the pension plans' unfunded benefits. Changes in pension benefits, contribution rates and return on investments affect the balance of the net pension liability.
- Capital assets, net of accumulated depreciation, increased \$8,782,760 during fiscal year 2018.
- During the fiscal year, outstanding debt decreased from \$108,239,551 to \$104,938,266.

Using this Annual Report

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

The *Statement of Net Position 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 long term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term 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 Elyria City School District, the general fund and the classroom facilities fund are the most significant funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2018?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

Elyria City School District
Lorain County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., community services.

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.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The major funds financial statements begin on page 19. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The School District's major governmental fund are the general fund and classroom facilities fund.

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

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 activity. 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.

Elyria City School District
Lorain County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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.

Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for some of its scholarship and foundation programs. This activity is presented as a private purpose trust fund. The School District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. The School District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 27 and 28. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2018 compared to 2017:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Assets						
Current and Other Assets	\$ 217,417,926	\$ 223,223,671	\$ (101,247)	\$ 18,744	\$ 217,316,679	\$ 223,242,415
Capital Assets	73,014,086	64,166,930	236,334	300,730	73,250,420	64,467,660
<i>Total Assets</i>	<u>290,432,012</u>	<u>287,390,601</u>	<u>135,087</u>	<u>319,474</u>	<u>290,567,099</u>	<u>287,710,075</u>
Deferred Outflows of Resources						
Deferred Charges on Refunding	3,337,876	3,537,047	0	0	3,337,876	3,537,047
Pension & OPEB	27,261,003	21,926,328	313,037	636,790	27,574,040	22,563,118
<i>Total Deferred Outflow of Resources</i>	<u>30,598,879</u>	<u>25,463,375</u>	<u>313,037</u>	<u>636,790</u>	<u>30,911,916</u>	<u>26,100,165</u>
Liabilities						
Current and Other Liabilities	13,004,356	10,124,872	171,157	166,812	13,175,513	10,291,684
Long Term Liabilities:						
Due Within One Year	3,472,375	7,092,737	2,007	2,020	3,474,382	7,094,757
Due in More Than One Year						
Net Pension & OPEB Liability	106,728,011	145,966,864	2,400,232	3,179,752	109,128,243	149,146,616
Other Amounts	107,006,058	106,353,947	41,582	41,857	107,047,640	106,395,804
<i>Total Liabilities</i>	<u>230,210,800</u>	<u>269,538,420</u>	<u>2,614,978</u>	<u>3,390,441</u>	<u>232,825,778</u>	<u>272,928,861</u>
Deferred Inflows of Resources						
Property Taxes	29,415,128	34,443,114	0	0	29,415,128	34,443,114
Pension & OPEB	8,055,009	1,794,668	327,392	0	8,382,401	1,794,668
<i>Total Deferred Inflows of Resources</i>	<u>37,470,137</u>	<u>36,237,782</u>	<u>327,392</u>	<u>0</u>	<u>37,797,529</u>	<u>36,237,782</u>
Net Position						
Net Investment in Capital Assets	25,229,087	22,007,088	236,334	300,730	25,465,421	22,307,818
Restricted	91,401,213	89,271,813	0	0	91,401,213	89,271,813
Unrestricted (Deficit)	(63,280,346)	(104,201,127)	(2,730,580)	(2,734,907)	(66,010,926)	(106,936,034)
<i>Total Net Position</i>	<u>\$ 53,349,954</u>	<u>\$ 7,077,774</u>	<u>\$ (2,494,246)</u>	<u>\$ (2,434,177)</u>	<u>\$ 50,855,708</u>	<u>\$ 4,643,597</u>

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The net pension liability (NPL) is one of the largest single liabilities reported by the School District at June 30, 2018 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For fiscal year 2018, the School District adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the School District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from \$29,589,756 to \$4,643,597.

At fiscal year end, capital assets represented 25% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks. Net investment in capital assets was \$25,465,421 at June 30, 2018. These capital assets 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 governmental net position, \$91,401,213 represents resources that are subject to external restrictions on how they may be used. The deficit balance of government-wide unrestricted net position of (\$63,280,346) for governmental activities and (\$2,730,580) for business-type activities is primarily the result of GASB Statement No. 68 and GASB Statement No. 75.

Total assets increased \$2,857,024, with the most significant increase being capital assets of \$8,782,760 due to an increase in construction in progress for the stadium project and new school construction. This was partially offset by a decrease in intergovernmental receivables, due to the Ohio Facilities Construction Commission grant. The School District also had a large increase in cash and investments as a result of draws from the Ohio Facilities Construction Commission that were unspent at year end.

Current liabilities increased \$2,883,829 due to increased contracts and retainage payable related to numerous construction projects.

Deferred inflows related to property taxes decreased due to an increase in the amount available for advance.

There was also a decrease in long term liabilities, an increase in deferred inflows of resources and an increase in deferred outflows of resources for pension and OPEB that were caused by changes related to net position and OPEB liability during 2018. The combined decrease in net pension and OPEB liabilities of \$40,018,373 is caused by a change in benefit terms by STRS that adjusted the cost-of-living adjustment to zero, which contributed to an increase in net position compared to 2017.

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Government-wide Financial Analysis

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2018 and 2017.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
<i>Program Revenues:</i>						
Charges for Services	\$ 3,173,504	\$ 2,515,491	\$ 441,471	\$ 467,783	\$ 3,614,975	\$ 2,983,274
Operating Grants	11,549,102	11,741,282	2,814,959	2,828,944	14,364,061	14,570,226
Capital Grants	131,026	22,276	0	0	131,026	22,276
Total Program Revenues	14,853,632	14,279,049	3,256,430	3,296,727	18,110,062	17,575,776
<i>General Revenues:</i>						
Property Taxes	41,499,528	33,809,857	0	0	41,499,528	33,809,857
Grants and Entitlements Not Restricted	40,207,103	41,461,618	0	0	40,207,103	41,461,618
Grants and Entitlements - OFCC	0	79,868,962	0	0	0	79,868,962
Investment Earnings	698,491	324,668	0	0	698,491	324,668
Miscellaneous	577,437	777,314	0	0	577,437	777,314
Total General Revenues	82,982,559	156,242,419	0	0	82,982,559	156,242,419
Total Revenues	97,836,191	170,521,468	3,256,430	3,296,727	101,092,621	173,818,195
Program Expenses						
<i>Instruction:</i>						
Regular	8,564,742	31,719,549	0	0	8,564,742	31,719,549
Special	7,658,111	14,925,258	0	0	7,658,111	14,925,258
Vocational	94,811	94,640	0	0	94,811	94,640
Student Intervention Services	298,535	146,171	0	0	298,535	146,171
Other	9,823,176	10,724,645	0	0	9,823,176	10,724,645
<i>Support Services:</i>						
Pupils	2,019,457	5,055,880	0	0	2,019,457	5,055,880
Instructional Staff	1,682,490	3,024,624	0	0	1,682,490	3,024,624
Board of Education	81,140	78,967	0	0	81,140	78,967
Administration	2,517,769	5,380,981	0	0	2,517,769	5,380,981
Fiscal	1,377,519	1,327,766	0	0	1,377,519	1,327,766
Business	638,359	731,318	0	0	638,359	731,318
Operation and Maintenance of Plant	5,625,460	6,580,557	0	0	5,625,460	6,580,557
Pupil Transportation	3,794,809	2,816,015	0	0	3,794,809	2,816,015
Central	856,060	1,110,812	0	0	856,060	1,110,812
<i>Operation of Non-Instructional Services</i>						
Food Operations	337,856	376,539	0	0	337,856	376,539
Community Services	1,183,129	1,942,472	0	0	1,183,129	1,942,472
Extracurricular Activities	901,397	1,899,637	0	0	901,397	1,899,637
<i>Debt Service:</i>						
Interest and Fiscal Charges	4,109,191	2,713,246	0	0	4,109,191	2,713,246
Lunchroom/Cafeteria	0	0	3,316,499	3,577,305	3,316,499	3,577,305
Total Expenses	51,564,011	90,649,077	3,316,499	3,577,305	54,880,510	94,226,382
Change in Net Position	\$ 46,272,180	\$ 79,872,391	\$ (60,069)	\$ (280,578)	\$ 46,212,111	\$ 79,591,813

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The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$168,847 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$3,123,947. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-Type Activities
Total 2018 Program Expenses under GASB 75	\$ 51,564,011	\$ 3,316,499
Negative OPEB Expense under GASB 75	3,165,609	(41,662)
2018 Contractually Required Contribution	201,326	19,911
Adjusted 2018 Program Expenses	54,930,946	3,294,748
Total 2017 Program Expenses under GASB 45	90,649,077	3,577,305
Decrease in Program Expenses not Related to OPEB	\$ (35,718,131)	\$ (282,557)

Total revenues decreased \$72,725,574 due to a decrease in grants with the Ohio Facilities Construction Commission grant in 2018, partially offset by an increase in property taxes due to an increase in amount available for advance.

The decrease in expenses throughout the School District was caused by decreases in net position liability as discussed earlier.

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Elyria City School District
Lorain County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Governmental Activities

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.

Table 3
Program Expenses

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental Activities:				
Instruction:				
Regular	\$ 8,564,742	\$ 6,289,584	\$ 31,719,549	\$ 29,873,866
Special	7,658,111	(578,548)	14,925,258	6,570,082
Vocational	94,811	(26,662)	94,640	(20,963)
Student Intervention Services	298,535	9,835	146,171	8,924
Other	9,823,176	9,821,863	10,724,645	10,721,592
Support Services:				
Pupils	2,019,457	1,157,496	5,055,880	4,263,181
Instructional Staff	1,682,490	1,132,255	3,024,624	2,432,684
Board of Education	81,140	81,140	78,967	78,967
Administration	2,517,769	2,180,231	5,380,981	4,974,124
Fiscal	1,377,519	1,377,519	1,327,766	1,327,766
Business	638,359	638,359	731,318	731,318
Operation and Maintenance of Plant	5,625,460	5,417,823	6,580,557	6,507,071
Pupil Transportation	3,794,809	3,468,040	2,816,015	2,420,275
Central	856,060	856,060	1,110,812	1,110,812
Operation of Non-Instructional Services				
Food Operations	337,856	337,856	376,539	376,539
Community Services	1,183,129	(269,062)	1,942,472	578,766
Extracurricular Activities	901,397	707,399	1,899,637	1,701,778
Debt Service:				
Interest and Fiscal Charges	4,109,191	4,109,191	2,713,246	2,713,246
Total Governmental Activities	51,564,011	36,710,379	90,649,077	76,370,028
Business-Type Activities:				
Lunchroom/Cafeteria	3,316,499	60,069	3,577,305	280,578
Total Expenses	\$ 54,880,510	\$ 36,770,448	\$ 94,226,382	\$ 76,650,606

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The dependence upon general revenues for governmental activities is apparent. Approximately 71% of governmental activities are supported through taxes and other general revenues; such revenues are 85% of total governmental revenues. The community, as a whole, is by far the primary support for the School District students.

Business-Type Activity

Business-type activity decreased the School District's net position by \$60,069. The only business-type activity for the School District was lunchroom/cafeteria. This decrease was due to operating expenses exceeding sales and subsidies.

Governmental Funds

Information about the School District's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. The net change in fund balances for the fiscal year 2018 was an increase of \$11,769,329 for all governmental funds.

The general fund's net change in fund balance for fiscal year 2018 was an increase of \$4,044,936. The primary reason for the increase in fund balance was an increase in taxes available for advance.

The classroom facilities fund's net change in fund balance for fiscal year 2018 was an increase of \$13,474,382. The primary reason for this is a draw from the OFCC not spent in 2018. This balance will decline in future years as the construction is completed.

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 position decreased \$60,069 due to operating expenses exceeding sales and subsidies.

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 2018, the School District amended its general fund appropriation budget. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$3,834,587 more than the final budget basis revenue of \$75,310,568 due to an increase in grants.

Final expenditure appropriations of \$79,952,899 were \$1,334,834 higher than the actual expenditures of \$78,618,065 as cost savings were recognized throughout the year.

Elyria City School District
Lorain County, Ohio
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For the Fiscal Year Ended June 30, 2018

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the School District had \$73,250,420 invested in capital assets for its governmental and business-type activities. Table 4 shows fiscal year 2018 balances compared with 2017.

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 9,151,222	\$ 9,151,222	\$ 0	\$ 0	\$ 9,151,222	\$ 9,151,222
Construction in Progress	11,502,087	84,155	0	0	11,502,087	84,155
Land Improvements	475,645	495,361	0	0	475,645	495,361
Building and Improvements	50,273,302	53,569,875	0	0	50,273,302	53,569,875
Furniture and Equipment	856,453	61,604	236,334	300,730	1,092,787	362,334
Vehicles	160,830	170,230	0	0	160,830	170,230
Library and Textbooks	594,547	634,483	0	0	594,547	634,483
Total capital assets, net	\$ 73,014,086	\$ 64,166,930	\$ 236,334	\$ 300,730	\$ 73,250,420	\$ 64,467,660

The \$8,782,760 increase in capital assets was attributable to capital asset additions exceeding the depreciation expense. See Note 9 for more information about the capital assets of the School District.

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Elyria City School District
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For the Fiscal Year Ended June 30, 2018

Debt

At June 30, 2018, the School District had \$104,938,266 in debt outstanding. See Note 10 for additional details. Table 5 summarizes debt outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2018	2017
2014 Refunding Bonds:		
Serial Bond	\$ 8,345,000	\$ 8,430,000
Capital Appreciation Bonds	34,838	34,838
Accretion on Capital Appreciation Bonds	129,086	76,847
Premium	851,763	912,603
2015 Refunding Bonds:		
Serial Bond	29,395,000	30,725,000
Capital Appreciation Bonds	243,938	243,938
Accretion on Capital Appreciation Bonds	558,884	314,043
Premium	3,123,138	3,296,646
2017 Classroom Facilities Bonds:		
Serial Bond	48,765,000	50,040,000
Premium	2,834,956	2,918,337
Discount	(453,060)	(466,385)
2017 Insured BQ GO Bonds:		
Serial/Term Bonds	9,335,000	9,345,000
Premium	551,595	570,616
Honeywell Energy	773,128	1,263,068
Qualified Zone Academy Bonds	450,000	535,000
	\$ 104,938,266	\$ 108,239,551

Current Issues

The Board of Education and administration presents and approves a financial forecast semi-annually each fiscal year. Additionally, the revenues and expenditures are monitored according to estimated resources and appropriations submitted to the Lorain County Auditor annually. The School District relies heavily on property taxes to fund its operations. The State's biennium budget in fiscal year 2018 provides a state wide budget of \$10.6 billion for K-12 education; however enrollment and property values continue to be an integral part of the formula. Funding of community schools and open enrollment could impact finances.

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The Board of Education and the Ohio Facilities Construction Commission approved the Master Plan to build five new schools as well as a Sports complex. A bond issue passed in November 2016 to fund the local share of this project. Construction plans began immediately after the passage and multiple ground-breakings occurred on the new facilities during fiscal year 2018.

A levy originally passed in 1999 will be up for renewal in November 2018. The \$3.6 million levy was passed on November 6, 2018.

The School District negotiates with two bargaining units. Each unit has agreed to a multi-year contract ending July 31, 2020 (certified staff) and December 31, 2020 (support staff). A modest salary increase was given and step movement was reinstated after multiple years of salary freeze.

Management continues to plan carefully and prudently to provide the resources to meet student needs over the next five years.

The School District's system of budgeting and internal controls is well regarded. Elyria City School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The School District first participated in the GFOA Certificate of Achievement of Excellence in Financial Reporting program in 1999.

Contacting the School District's Financial Management

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

Elyria City School District
Lorain County, Ohio
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 107,753,679	\$ 7,444	\$ 107,761,123
Cash and Investments in Segregated Accounts	2,019,054	0	2,019,054
Receivables:			
Taxes	39,978,741	0	39,978,741
Accounts	387,522	0	387,522
Intergovernmental	66,921,631	109,859	67,031,490
Prepaid Items	138,749	0	138,749
Internal Balances	218,550	(218,550)	0
Nondepreciable Capital Assets	20,653,309	0	20,653,309
Depreciable Capital Assets (Net)	52,360,777	236,334	52,597,111
<i>Total Assets</i>	<u>290,432,012</u>	<u>135,087</u>	<u>290,567,099</u>
Deferred Outflows of Resources			
Deferred Charges on Refunding	3,337,876	0	3,337,876
Pension	26,333,523	293,126	26,626,649
OPEB	927,480	19,911	947,391
<i>Total Deferred Outflows of Resources</i>	<u>30,598,879</u>	<u>313,037</u>	<u>30,911,916</u>
Liabilities			
Accounts Payable	557,905	0	557,905
Contracts Payable	2,779,681	0	2,779,681
Accrued Wages and Benefits	6,563,453	135,163	6,698,616
Matured Compensated Absences Payable	22,427	0	22,427
Retainage Payable	304,270	0	304,270
Accrued Interest	318,572	0	318,572
Intergovernmental Payable	1,776,469	35,994	1,812,463
Claims Payable	681,579	0	681,579
Long Term Liabilities:			
Due Within One Year	3,472,375	2,007	3,474,382
Due in More Than One Year:			
Net Pension Liability	87,499,153	1,648,967	89,148,120
Net OPEB Liability	19,228,858	751,265	19,980,123
Other Amounts Due in More Than One Year	107,006,058	41,582	107,047,640
<i>Total Liabilities</i>	<u>230,210,800</u>	<u>2,614,978</u>	<u>232,825,778</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	29,415,128	0	29,415,128
Pension	5,650,505	163,653	5,814,158
OPEB	2,404,504	163,739	2,568,243
<i>Total Deferred Inflows of Resources</i>	<u>37,470,137</u>	<u>327,392</u>	<u>37,797,529</u>
Net Position			
Net Investment in Capital Assets	25,229,087	236,334	25,465,421
Restricted for:			
Capital Projects	85,617,976	0	85,617,976
Debt Service	2,379,250	0	2,379,250
State Funded Programs	220,532	0	220,532
Federally Funded Programs	1,167,858	0	1,167,858
Student Activities	45,316	0	45,316
Other Purposes	1,970,281	0	1,970,281
Unrestricted	(63,280,346)	(2,730,580)	(66,010,926)
<i>Total Net Position</i>	<u>\$ 53,349,954</u>	<u>\$ (2,494,246)</u>	<u>\$ 50,855,708</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest	Governmental Activities		Business-Type Activities
Governmental Activities							
Instruction:							
Regular	\$ 8,564,742	\$ 1,807,440	\$ 467,718	\$ 0	\$ (6,289,584)	\$ 0	\$ (6,289,584)
Special	7,658,111	1,182,863	7,053,796	0	578,548	0	578,548
Vocational	94,811	0	121,473	0	26,662	0	26,662
Student Intervention Services	298,535	0	288,700	0	(9,835)	0	(9,835)
Other	9,823,176	0	1,313	0	(9,821,863)	0	(9,821,863)
Support Services:							
Pupils	2,019,457	0	861,961	0	(1,157,496)	0	(1,157,496)
Instructional Staff	1,682,490	256	549,979	0	(1,132,255)	0	(1,132,255)
Board of Education	81,140	0	0	0	(81,140)	0	(81,140)
Administration	2,517,769	172	337,366	0	(2,180,231)	0	(2,180,231)
Fiscal	1,377,519	0	0	0	(1,377,519)	0	(1,377,519)
Business	638,359	0	0	0	(638,359)	0	(638,359)
Operation and Maintenance of Plant	5,625,460	26	76,585	131,026	(5,417,823)	0	(5,417,823)
Pupil Transportation	3,794,809	0	326,769	0	(3,468,040)	0	(3,468,040)
Central	856,060	0	0	0	(856,060)	0	(856,060)
Operation of Non-Instructional Services:							
Food Service Operations	337,856	0	0	0	(337,856)	0	(337,856)
Community Services	1,183,129	3,376	1,448,815	0	269,062	0	269,062
Extracurricular Activities	901,397	179,371	14,627	0	(707,399)	0	(707,399)
Debt Service:							
Interest and Fiscal Charges	4,109,191	0	0	0	(4,109,191)	0	(4,109,191)
<i>Total Governmental Activities</i>	<u>51,564,011</u>	<u>3,173,504</u>	<u>11,549,102</u>	<u>131,026</u>	<u>(36,710,379)</u>	<u>0</u>	<u>(36,710,379)</u>
Business-Type Activities							
Lunchroom/Cafeteria	3,316,499	441,471	2,814,959	0	0	(60,069)	(60,069)
<i>Total Business-Type Activities</i>	<u>3,316,499</u>	<u>441,471</u>	<u>2,814,959</u>	<u>0</u>	<u>0</u>	<u>(60,069)</u>	<u>(60,069)</u>
Totals	<u>\$ 54,880,510</u>	<u>\$ 3,614,975</u>	<u>\$ 14,364,061</u>	<u>\$ 131,026</u>	<u>(36,710,379)</u>	<u>(60,069)</u>	<u>(36,770,448)</u>
General Revenues							
Property Taxes Levied for:							
General Purposes					34,539,211	0	34,539,211
Debt Service					6,529,180	0	6,529,180
Other Purposes					431,137	0	431,137
Grants and Entitlements not Restricted to Specific Programs					40,207,103	0	40,207,103
Investment Earnings					698,491	0	698,491
Miscellaneous					577,437	0	577,437
<i>Total General Revenues</i>					<u>82,982,559</u>	<u>0</u>	<u>82,982,559</u>
<i>Change in Net Position</i>					<u>46,272,180</u>	<u>(60,069)</u>	<u>46,212,111</u>
<i>Net Position Beginning of Year, Restated See Note 2</i>					<u>7,077,774</u>	<u>(2,434,177)</u>	<u>4,643,597</u>
<i>Net Position End of Year</i>					<u>\$ 53,349,954</u>	<u>\$ (2,494,246)</u>	<u>\$ 50,855,708</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Balance Sheet
Governmental Funds
June 30, 2018

	General	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 27,576,203	\$ 53,291,616	\$ 24,286,713	\$ 105,154,532
Cash and Investments in Segregated Accounts	0	0	2,019,054	2,019,054
Receivables:				
Taxes	33,615,268	0	6,363,473	39,978,741
Accounts	137,522	0	250,000	387,522
Interfund	811,550	0	0	811,550
Intergovernmental	443,381	64,344,625	2,133,625	66,921,631
Prepaid Items	138,749	0	0	138,749
<i>Total Assets</i>	<u>\$ 62,722,673</u>	<u>\$ 117,636,241</u>	<u>\$ 35,052,865</u>	<u>\$ 215,411,779</u>
Liabilities				
Accounts Payable	\$ 476,166	\$ 0	\$ 81,514	\$ 557,680
Contracts Payable	0	433,610	2,346,071	2,779,681
Accrued Wages and Benefits	6,006,463	0	555,311	6,561,774
Matured Compensated Absences Payable	22,427	0	0	22,427
Retainage Payable	0	29,604	274,666	304,270
Interfund Payable	0	0	593,000	593,000
Intergovernmental Payable	1,692,802	0	82,041	1,774,843
<i>Total Liabilities</i>	<u>8,197,858</u>	<u>463,214</u>	<u>3,932,603</u>	<u>12,593,675</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	24,733,480	0	4,681,648	29,415,128
Unavailable Revenue	2,730,753	64,344,625	1,968,274	69,043,652
<i>Total Deferred Inflows of Resources</i>	<u>27,464,233</u>	<u>64,344,625</u>	<u>6,649,922</u>	<u>98,458,780</u>
Fund Balances				
Nonspendable	146,099	0	0	146,099
Restricted	0	52,828,402	24,799,430	77,627,832
Committed	217,059	0	0	217,059
Assigned	9,384,859	0	0	9,384,859
Unassigned	17,312,565	0	(329,090)	16,983,475
<i>Total Fund Balances</i>	<u>27,060,582</u>	<u>52,828,402</u>	<u>24,470,340</u>	<u>104,359,324</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 62,722,673</u>	<u>\$ 117,636,241</u>	<u>\$ 35,052,865</u>	<u>\$ 215,411,779</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2018

Total Governmental Fund Balances		\$ 104,359,324
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		73,014,086
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Accounts	\$ 137,522	
Intergovernmental	65,858,523	
Excess Costs	231,518	
Delinquent Property Taxes	2,816,089	69,043,652
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 position.		1,892,527
In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is not reported.		(318,572)
In the statement of activities, a gain/loss on refunding is amortized over the term of the bonds, whereas in governmental funds a refunding gain/loss is reported when bonds are issued.		3,337,876
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	26,333,523	
Deferred Outflows - OPEB	927,480	
Deferred Inflows - Pension	(5,650,505)	
Deferred Inflows - OPEB	(2,404,504)	
Net Pension Liability	(87,499,153)	
Net OPEB Liability	(19,228,858)	(87,522,017)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Other Long Term Debt	(1,223,128)	
General Obligation Bonds	(58,100,000)	
Refunding Bonds	(37,740,000)	
Capital Appreciation Bonds	(278,776)	
Bond Premium	(7,361,452)	
Bond Discount	453,060	
Accretion of Interest - Capital Appreciation Bonds	(687,970)	
Compensated Absences*	(5,518,656)	(110,456,922)
 <i>Net Position of Governmental Activities</i>		 \$ 53,349,954

*Excludes \$21,511 within the Internal Service Fund

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 35,007,326	\$ 0	\$ 6,742,507	\$ 41,749,833
Intergovernmental	44,422,258	15,524,337	7,225,057	67,171,652
Interest	174,772	346,696	188,874	710,342
Tuition and Fees	2,951,265	0	25,722	2,976,987
Rent	16,815	0	0	16,815
Extracurricular Activities	66,236	0	130,281	196,517
Gifts and Donations	13,815	0	331,214	345,029
Miscellaneous	526,705	0	39,358	566,063
<i>Total Revenues</i>	<u>83,179,192</u>	<u>15,871,033</u>	<u>14,683,013</u>	<u>113,733,238</u>
Expenditures				
Current:				
Instruction:				
Regular	30,405,169	0	281,248	30,686,417
Special	10,795,730	0	2,845,571	13,641,301
Vocational	90,233	0	5,798	96,031
Student Intervention Services	9,101	0	289,434	298,535
Other	10,187,884	0	1,316	10,189,200
Support Services:				
Pupils	4,164,783	0	842,787	5,007,570
Instructional Staff	1,956,340	0	567,155	2,523,495
Board of Education	81,140	0	0	81,140
Administration	4,863,501	0	342,522	5,206,023
Fiscal	1,345,667	0	120,631	1,466,298
Business	702,916	0	0	702,916
Operation and Maintenance of Plant	5,068,657	0	264,873	5,333,530
Pupil Transportation	3,786,938	0	8,258	3,795,196
Central	967,406	0	494	967,900
Extracurricular Activities	1,204,012	0	151,684	1,355,696
Operation of Non-instructional Services:				
Food Service Operations	337,856	0	0	337,856
Community Services	284,906	0	1,333,926	1,618,832
Capital Outlay	13,800	2,396,651	9,043,849	11,454,300
Debt Service:				
Principal Retirement	574,940	0	2,700,000	3,274,940
Interest and Fiscal Charges	57,277	0	3,869,456	3,926,733
<i>Total Expenditures</i>	<u>76,898,256</u>	<u>2,396,651</u>	<u>22,669,002</u>	<u>101,963,909</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,280,936</u>	<u>13,474,382</u>	<u>(7,985,989)</u>	<u>11,769,329</u>
Other Financing Sources and (Uses)				
Transfers In	0	0	2,236,000	2,236,000
Transfers Out	(2,236,000)	0	0	(2,236,000)
<i>Total Other Financing Sources and Uses</i>	<u>(2,236,000)</u>	<u>0</u>	<u>2,236,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	4,044,936	13,474,382	(5,749,989)	11,769,329
<i>Fund Balances Beginning of Year</i>	<u>23,015,646</u>	<u>39,354,020</u>	<u>30,220,329</u>	<u>92,589,995</u>
<i>Fund Balances End of Year</i>	<u>\$ 27,060,582</u>	<u>\$ 52,828,402</u>	<u>\$ 24,470,340</u>	<u>\$ 104,359,324</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
*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, 2018*

Net Change in Fund Balances - Total Governmental Funds	\$	11,769,329
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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.		
Capital Asset Additions	\$ 11,798,237	
Current Year Depreciation	<u>(2,951,081)</u>	8,847,156
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(250,305)	
Excess Costs	119,011	
Accounts	(253,942)	
Intergovernmental	<u>(15,510,312)</u>	(15,895,548)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	1,285,000	
Other Long Term Debt	574,940	
Refunding Bonds	<u>1,415,000</u>	3,274,940
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	6,257,422	
OPEB	<u>201,326</u>	6,458,748
Except for amount reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities.		
Pension	28,688,830	
OPEB	<u>3,165,609</u>	31,854,439
In the statement of activities, interest is accrued on outstanding bonds; and bond premium and gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	(9,632)	
Amortization of Premium on Bonds	336,750	
Amortization of Discounts on Bonds	(13,325)	
Amortization of Refunding Gain/Loss	<u>(199,171)</u>	114,622
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 expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		479,718
Some expenses reported in the statement of activities do not require the use of the current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences*		(334,144)
Accretion on capital appreciation bonds is an expenditure in the governmental funds, but is allocated as an expense over the life of the bonds in the statement of activities.		
		<u>(297,080)</u>
<i>Change in Net Position of Governmental Activities</i>	\$	<u>46,272,180</u>

*Excludes \$1,110 within the Internal Service Fund

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
Revenues				
Property and Other Local Taxes	\$ 31,559,768	\$ 30,643,822	\$ 30,778,378	\$ 134,556
Intergovernmental	45,930,227	41,868,138	44,793,039	2,924,901
Interest	366,032	116,106	356,969	240,863
Tuition and Fees	2,769,488	2,418,408	2,700,918	282,510
Extracurricular Activities	0	1,450	1,456	6
Rentals	17,242	7,243	16,815	9,572
Contributions and Donations	0	856	68	(788)
Miscellaneous	400,543	254,545	497,512	242,967
<i>Total Revenues</i>	<u>81,043,300</u>	<u>75,310,568</u>	<u>79,145,155</u>	<u>3,834,587</u>
Expenditures				
Current:				
Instruction:				
Regular	31,953,314	31,373,908	30,420,293	953,615
Special	12,707,757	10,915,743	11,126,725	(210,982)
Vocational	91,057	97,849	89,724	8,125
Student Intervention Services	9,236	10,414	9,101	1,313
Other	10,662,013	10,698,644	10,212,354	486,290
Support Services:				
Pupils	4,394,284	4,081,491	4,153,028	(71,537)
Instructional Staff	2,941,658	2,596,506	2,376,355	220,151
Board of Education	103,237	89,381	117,554	(28,173)
Administration	5,005,712	4,951,941	4,864,067	87,874
Fiscal	1,303,365	521,357	1,299,956	(778,599)
Business	1,144,013	1,086,083	752,896	333,187
Operation and Maintenance of Plant	6,191,621	5,717,129	5,700,657	16,472
Pupil Transportation	4,603,445	4,184,271	4,103,801	80,470
Central	1,318,562	1,177,505	1,026,427	151,078
Operation of Non-Instructional Services:				
Food Operations	351,609	399,621	346,462	53,159
Community Services	276,089	306,028	306,680	(652)
Extracurricular Activities	1,084,582	1,082,852	1,065,718	17,134
Capital Outlay	26,805	26,600	14,050	12,550
Debt Service:				
Principal Retirement	583,482	575,000	574,940	60
Interest and Fiscal Charges	58,128	60,576	57,277	3,299
<i>Total Expenditures</i>	<u>84,809,969</u>	<u>79,952,899</u>	<u>78,618,065</u>	<u>1,334,834</u>
<i>Excess of Revenues (Under) Expenditures</i>	<u>(3,766,669)</u>	<u>(4,642,331)</u>	<u>527,090</u>	<u>5,169,421</u>
Other Financing Sources and (Uses)				
Proceeds from Sale of Capital Assets	0	1,214	0	(1,214)
Advances In	0	1,450,000	1,454,378	4,378
Advances Out	0	(1,500,000)	(811,550)	688,450
Transfers Out	0	(2,700,000)	(2,803,000)	(103,000)
<i>Total Other Financing Sources and (Uses)</i>	<u>0</u>	<u>(2,748,786)</u>	<u>(2,160,172)</u>	<u>588,614</u>
<i>Net Change in Fund Balance</i>	<u>(3,766,669)</u>	<u>(7,391,117)</u>	<u>(1,633,082)</u>	<u>5,758,035</u>
<i>Fund Balance Beginning of Year</i>	<u>24,737,065</u>	<u>24,737,065</u>	<u>24,737,065</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>2,114,778</u>	<u>2,114,778</u>	<u>2,114,778</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 23,085,174</u>	<u>\$ 19,460,726</u>	<u>\$ 25,218,761</u>	<u>\$ 5,758,035</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Statement of Fund Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Assets		
<i>Current Assets</i>		
Equity in Pooled Cash and Investments	\$ 7,444	\$ 2,599,147
Receivables:		
Intergovernmental	109,859	0
<i>Total Current Assets</i>	<u>117,303</u>	<u>2,599,147</u>
<i>Non-Current Assets</i>		
Depreciable Capital Assets (Net)	236,334	0
<i>Total Assets</i>	<u>353,637</u>	<u>2,599,147</u>
Deferred Outflows of Resources		
Pension	293,126	0
OPEB	19,911	0
<i>Total Deferred Outflows of Resources</i>	<u>313,037</u>	<u>0</u>
Liabilities		
<i>Current Liabilities</i>		
Accounts Payable	0	225
Accrued Wages and Benefits	135,163	1,679
Compensated Absences Payable	2,007	6,396
Interfund Payable	218,550	0
Intergovernmental Payable	35,994	1,626
Claims Payable	0	681,579
<i>Total Current Liabilities</i>	<u>391,714</u>	<u>691,505</u>
<i>Long Term Liabilities</i>		
Compensated Absences Payable, Net of Current Portion	41,582	15,115
Net Pension Liability	1,648,967	0
Net OPEB Liability	751,265	0
<i>Total Long Term Liabilities</i>	<u>2,441,814</u>	<u>15,115</u>
<i>Total Liabilities</i>	<u>2,833,528</u>	<u>706,620</u>
Deferred Inflows of Resources		
Pension	163,653	0
OPEB	163,739	0
<i>Total Deferred Inflows of Resources</i>	<u>327,392</u>	<u>0</u>
Net Position		
Invested in Capital Assets	236,334	0
Unrestricted	(2,730,580)	1,892,527
<i>Total Net Position</i>	<u><u>\$ (2,494,246)</u></u>	<u><u>\$ 1,892,527</u></u>

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Operating Revenues		
Sales	\$ 441,471	\$ 0
Charges for Services	0	9,753,555
<i>Total Operating Revenues</i>	<u>441,471</u>	<u>9,753,555</u>
Operating Expenses		
Salaries	813,347	55,978
Fringe Benefits	224,414	19,324
Purchased Services	1,998,466	569,896
Materials and Supplies	215,876	0
Depreciation	64,396	0
Claims	0	8,187,219
Other Operating Expenses	0	467,969
<i>Total Operating Expenses</i>	<u>3,316,499</u>	<u>9,300,386</u>
<i>Operating Income (Loss)</i>	<u>(2,875,028)</u>	<u>453,169</u>
Non-Operating Revenues:		
Intergovernmental	2,814,959	0
Interest	0	26,549
<i>Total Non-Operating Revenues</i>	<u>2,814,959</u>	<u>26,549</u>
<i>Change in Net Position</i>	(60,069)	479,718
<i>Net Position Beginning of Year, Restated See Note 2</i>	<u>(2,434,177)</u>	<u>1,412,809</u>
<i>Net Position End of Year</i>	<u>\$ (2,494,246)</u>	<u>\$ 1,892,527</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 444,138	\$ 9,753,555
Cash Paid for Goods and Services	(1,998,503)	(569,896)
Cash Paid for Material and Supplies	(301)	0
Cash Paid to Employees	(766,869)	(60,734)
Cash Paid to Employee Benefits	(395,173)	(19,324)
Cash Payments for Claims	0	(7,839,900)
Other Cash Payments	0	(469,844)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>(2,716,708)</u>	<u>793,857</u>
Cash Flows From Non-Capital Financing Activities		
Advances from Other Funds	218,550	0
Grants Received	2,489,525	0
<i>Net Cash Provided By (Used For) Non-Capital Financing Activities</i>	<u>2,708,075</u>	<u>0</u>
Cash Flows From Investing Activities		
Interest on Investments	0	26,549
<i>Net Increase (Decrease) in Cash and Investments</i>	(8,633)	820,406
<i>Cash and Investments Beginning of Year</i>	16,077	1,778,741
<i>Cash and Investments End of Year</i>	<u>\$ 7,444</u>	<u>\$ 2,599,147</u>
Reconciliation of Operating Income (Loss) to		
Net Cash Provided By (Used for) Operating Activities		
<i>Operating Income (Loss)</i>	\$ (2,875,028)	\$ 453,169
Adjustments:		
Depreciation	64,396	0
Federal Donated Commodities	215,575	0
(Increase) Decrease in Assets/Deferred Outflows of Resources:		
Accounts Receivable	2,667	0
Deferred Outflows - Pension	326,779	0
Deferred Outflows - OPEB	(3,026)	0
Increase (Decrease) in Liabilities/Deferred Inflows of Resources:		
Accounts Payable	(37)	(1,875)
Accrued Wages and Benefits	5,066	(826)
Compensated Absences Payable	(288)	(1,110)
Intergovernmental Payable	(684)	(2,820)
Net Pension Liability	(640,558)	0
Net OPEB Liability	(138,962)	0
Deferred Inflows - Pension	163,653	0
Deferred Inflows - OPEB	163,739	0
Claims Payable	0	347,319
<i>Total Adjustments</i>	<u>158,320</u>	<u>340,688</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ (2,716,708)</u>	<u>\$ 793,857</u>

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Investments	\$ 513,604	\$ 227,174
<i>Total Assets</i>	513,604	227,174
Liabilities		
Accounts Payable	500	\$ 6,821
Due to Students	0	220,353
Intergovernmental Payable	1,000	0
<i>Total Liabilities</i>	1,500	\$ 227,174
Net Position		
Held in Trust for Scholarships	\$ 512,104	

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2018

	Private Purpose Trust
	Scholarship
Additions	
Gifts and Contributions	\$ 39,671
Interest	1,246
Miscellaneous	4,911
<i>Total Additions</i>	45,828
 Deductions	
Payments in Accordance with Trust Agreements	23,339
<i>Change in Net Position</i>	22,489
<i>Net Position Beginning of Year</i>	489,615
<i>Net Position End of Year</i>	\$ 512,104

See accompanying notes to the basic financial statements.

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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.

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 the Metropolitan Educational Technology Association (META), which is defined as jointly governed organization. Additional information concerning the jointly governed organization is presented in Note 14.

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

Basis of Presentation

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

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Government-wide Financial Statements

The statement of net position 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. Interfund services provided and used are not eliminated in the process of consolidation of the government-wide financial statements.

The statement of net position 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 are reported by type.

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, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as fund balance. The following are the School District’s major governmental funds:

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

Classroom Facilities Fund The classroom facilities fund is used to account for Ohio Facilities Construction Commission (OFCC) grant monies that are restricted for the construction of new school buildings and a sports complex.

The other governmental funds of the School District account for grants and other resources to which the School 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 position, 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 position and changes in net position. 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 trust funds are private purpose trusts which account for scholarship programs for students and endowments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for student managed activities and Ohio High School Athletics Association (OHSAA) Tournaments.

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources 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, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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

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 outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Inflows of Resources and Deferred Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue may include delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 12 and 13).

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Expenses/Expenditures

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

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.

Cash and Investments

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

During fiscal year 2018, investments were limited to certificates of deposit, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage, Federal Farm Credit Bank, commercial paper, a money market 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.

During fiscal year 2018, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2018 amounted to \$174,772, which includes \$36,589 assigned from other School District funds.

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

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 position 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 position 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 acquisition values as of the dates received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is not capitalized.

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

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

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 position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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 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.

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

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 that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

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 straight line method, which approximates the bond outstanding method. Bond premiums are presented as an increase of the face amount of the bonds payable.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is 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, 2018, there was no net position restricted by enabling legislation.

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

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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.

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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.

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

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.

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.

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.

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 fiscal 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 fiscal years. The amounts reported as the final budgeted amounts in the budgetary statements reflect the final appropriations passed by the Board during the fiscal year.

Implementation of New Accounting Policies and Restatement of Net Position

For the fiscal year ended June 30, 2018, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits other than Pensions*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017* and GASB Statement No. 86, *Certain Debt Extinguishments*.

GASB Statement No. 75 requires recognition of the entire net postemployment benefits other than pensions (other postemployment benefits or OPEB) liability and a more comprehensive measure of postemployment benefits expense for OPEB provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 75 resulted in the inclusion of net OPEB liability and OPEB expense components on the accrual financial statements. See below for the effect on net position as previously reported.

GASB Statement No. 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, it requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires that a government recognize revenue when the resources become applicable to the reporting period. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the School District.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 86 addresses the reporting and disclosure requirements of certain debt extinguishments including in-substance defeasance transactions and prepaid insurance associated with debt that is extinguished. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the School District.

Elyria City School District
Lorain County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	Governmental Activities	Business-Type Activities
Net Position, June 30, 2017	\$ 31,150,591	(1,560,835)
Adjustments:		
Net OPEB Liability	(24,224,779)	(890,227)
Deferred Outflow-Payments Subsequent to Measurement Date	151,962	16,885
Restated Net Position, July 1, 2017	\$ 7,077,774	\$ (2,434,177)

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

In addition, the debt service fund and the building capital projects fund beginning balances were restated by \$9,900,000 to reflect a revision in the accounting for the retirement of short-term notes in the prior year.

NOTE 3: ACCOUNTABILITY

Fund balances at June 30, 2018 included the following individual fund deficits:

Nonmajor Governmental Funds:	Fund Balance
Public School Preschool	\$ 55,227
IDEA, Part B	102,259
Title I - School Improvement	44,314
Title III	2,105
Title I	111,568
IDEA, Preschool Grant for Handicapped	3,101
Class Size Reduction	10,516

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

NOTE 4: BUDGETARY BASIS OF ACCOUNTING

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

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

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

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3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as an assignment or commitment of fund balance for (GAAP basis).
4. 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:

Net Change in Fund Balance

GAAP Basis	\$ 4,044,936
Net adjustments for revenue accruals	(2,375,049)
Net adjustments for expenditure accruals	(1,146,185)
Funds budgeted elsewhere**	(183,898)
Adjustments for encumbrances	<u>(1,972,886)</u>
Budget Basis	<u><u>\$ (1,633,082)</u></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, uniform school supplies, termination benefits, rotary special service funds, unclaimed monies and intra-district services.

NOTE 5: DEPOSITS AND INVESTMENTS

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

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

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

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

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Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

- United States Treasury Notes, Bill, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% 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 (STAR Ohio);
- 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 40% 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.

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Deposits

At June 30, 2018, the carrying amount of all the School District's deposits was \$13,729,534. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2018, \$9,832,943 of the School District's bank balance of \$10,778,349 was not covered by Federal Deposit Insurance Corporation (FDIC), while \$945,406 was covered by FDIC. Bank balances not covered by the FDIC were collateralized through the Ohio Pooled Collateral System (OPCS).

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

Investments

As of June 30, 2018, the School District had the following investments:

Rating by S & P Global Ratings	Investment	Measurement Amount	Investment Maturities in Years			Percent of Total
			(<1)	(1-3)	(>3)	
	Cost:					
N/A	Money Market	\$ 2,210,051	\$ 2,210,051	\$ 0	\$ 0	2.28%
	Net Asset Value (NAV):					
AAAm	STAROhio	21,015,807	21,015,807	0	0	21.71%
	Fair Value:					
N/A	Negotiable CD's	17,019,206	7,617,819	9,401,387	0	17.58%
N/A	Commercial Paper	30,255,420	30,255,420	0	0	31.27%
AAA	FHLMC	5,312,302	0	4,501,716	810,586	5.49%
AAA	FNMA	5,634,020	298,965	5,335,055	0	5.82%
AAA	FFCB	1,995,769	0	1,995,769	0	2.06%
AAA	FHLB	13,348,846	1,773,744	11,575,102	0	13.79%
		<u>\$ 96,791,421</u>	<u>\$ 63,171,806</u>	<u>\$ 32,809,029</u>	<u>\$ 810,586</u>	<u>100.00%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2018. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

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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.

STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2018, is 49 days.

Concentration of Credit Risk. The School District places no limit on the amount that may be invested in any one issuer.

NOTE 6: PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at 35 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 year 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017 and are collected in 2018 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lorain County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2018, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

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The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 767,517,460	95.61%	\$ 771,665,600	95.32%
Public Utility Personal Property	35,260,090	4.39%	37,890,370	4.68%
	\$ 802,777,550	100.00%	\$ 809,555,970	100.00%
Full Tax Rate per \$1,000 of assessed value	\$ 76.27		\$ 75.64	

NOTE 7: RECEIVABLES

Receivables at June 30, 2018 consisted of taxes, accounts, interfund and intergovernmental. 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. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

In fiscal year 2014, the School District entered into a contract with The Stocker Foundation for a grant in the amount of \$1,250,000. The School District will receive \$250,000 for five years. This grant is for the specific purpose of Franklin Elementary Improvement Plan, which includes two preschool classes, cosmetic changes to the school and an arts program.

NOTE 8: INTERFUND ACTIVITY

Interfund Balances

Interfund balances at June 30, 2018 consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 811,550	\$ 0
Nonmajor Governmental Funds:		
Public School Preschool	0	66,000
IDEA, Part B	0	200,000
Title I School Improvement	0	95,000
Title III	0	3,000
Title I	0	175,000
Preschool Handicapped Grant	0	4,000
Class Size Reduction	0	40,000
Miscellaneous Federal Grants	0	10,000
Enterprise Fund		
Lunchroom/Cafeteria Fund	0	218,550
	\$ 811,550	\$ 811,550

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.

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Interfund balances between governmental funds are eliminated on the government-wide financial statements. Interfund balances between governmental activities and business-type activities are reported as an internal balance on the statement of net position.

Interfund Transfers

Transfers made during fiscal year 2018 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 0	\$ 2,236,000
Nonmajor Governmental Funds	2,236,000	0
	\$ 2,236,000	\$ 2,236,000

These transfers were made to move unrestricted balances to support programs and projects accounted for in other funds. The general fund transferred \$2,200,000 to the building fund for capital improvements and \$36,000 to the public school preschool to fund further expansion of the program.

NOTE 9: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Additions	Adjustments	Balance June 30, 2018
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 9,151,222	\$ 0	\$ 0	\$ 9,151,222
Construction in Progress	84,155	11,417,932	0	11,502,087
<i>Total Capital Assets, Not Being Depreciated</i>	9,235,377	11,417,932	0	20,653,309
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	2,151,376	40,379	0	2,191,755
Buildings and Improvements	83,294,667	0	0	83,294,667
Furniture and Equipment	7,023,077	227,315	0	7,250,392
Vehicles	387,779	30,330	0	418,109
Library and Textbooks	1,673,136	82,281	0	1,755,417
<i>Total Capital Assets, Being Depreciated</i>	94,530,035	380,305	0	94,910,340
<i>Accumulated Depreciation</i>				
Land Improvements	(1,656,015)	(60,095)	0	(1,716,110)
Buildings and Improvements	(29,724,792)	(2,531,988)	(764,585)	(33,021,365)
Furniture and Equipment	(6,961,473)	(197,051)	764,585	(6,393,939)
Vehicles	(217,549)	(39,730)	0	(257,279)
Library and Textbooks	(1,038,653)	(122,217)	0	(1,160,870)
<i>Total Accumulated Depreciated</i>	(39,598,482)	(2,951,081)	0	(42,549,563)
<i>Total Capital Assets Being Depreciated, Net</i>	54,931,553	(2,570,776)	0	52,360,777
<i>Governmental Activities, Capital Assets, Net</i>	\$ 64,166,930	\$ 8,847,156	\$ 0	\$ 73,014,086

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,172,032
Special	113,700
Support Services:	
Pupils	95,159
Instructional Staff	40,961
Administration	112,410
Operations and Maintenance of Plant	882,594
Central	21,649
Operation of Non-Instructional Services:	
Community Services	6,012
Extracurricular Activities	506,564
Total Depreciation	<u>\$ 2,951,081</u>

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Business-Type Activities				
<i>Capital Assets, Being Depreciated</i>				
Furniture and Equipment	\$ 1,015,757	\$ 0	\$ 0	\$ 1,015,757
<i>Total Capital Assets, Being Depreciated</i>	<u>1,015,757</u>	<u>0</u>	<u>0</u>	<u>1,015,757</u>
<i>Accumulated Depreciation</i>				
Furniture and Equipment	(715,027)	(64,396)	0	(779,423)
<i>Total Accumulated Depreciated</i>	<u>(715,027)</u>	<u>(64,396)</u>	<u>0</u>	<u>(779,423)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>300,730</u>	<u>(64,396)</u>	<u>0</u>	<u>236,334</u>
<i>Business-Type Activities, Capital Assets, Net</i>	<u>\$ 300,730</u>	<u>\$ (64,396)</u>	<u>\$ 0</u>	<u>\$ 236,334</u>

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NOTE 10: LONG-TERM OBLIGATIONS

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

	Restated Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018	Amount Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2014 Refunding Bonds					
Serial Bond	\$ 8,430,000	\$ 0	\$ 85,000	\$ 8,345,000	\$ 85,000
Capital Appreciation Bonds	34,838	0	0	34,838	0
Accretion on Bonds	76,847	52,239	0	129,086	0
Premium on Bonds	912,603	0	60,840	851,763	0
2015 Refunding Bonds					
Serial Bond	30,725,000	0	1,330,000	29,395,000	1,345,000
Capital Appreciation Bonds	243,938	0	0	243,938	0
Accretion on Bonds	314,043	244,841	0	558,884	0
Premium on Bonds	3,296,646	0	173,508	3,123,138	0
2017 Classroom Facilities Bonds					
Serial Bond	50,040,000	0	1,275,000	48,765,000	810,000
Premium on Bonds	2,918,337	0	83,381	2,834,956	0
Discount on Bonds	(466,385)	13,325	0	(453,060)	0
2017 Insured BQ Bonds					
Serial Bond	7,675,000	0	10,000	7,665,000	10,000
Term Bond	1,445,000	0	0	1,445,000	0
Term Bond	225,000	0	0	225,000	0
Premium on Bonds	570,616	0	19,021	551,595	0
Other Long Term Debt:					
Honeywell Energy	1,263,068	0	489,940	773,128	510,183
Qualified Zone Academy Bond	535,000	0	85,000	450,000	85,000
Total General Obligation Bonds	<u>108,239,551</u>	<u>310,405</u>	<u>3,611,690</u>	<u>104,938,266</u>	<u>2,845,183</u>
Net Pension Liability:					
Pension	121,742,085	0	34,242,932	87,499,153	0
OPEB	24,224,779	0	4,995,921	19,228,858	0
Total Net Pension Liability	<u>145,966,864</u>	<u>0</u>	<u>39,238,853</u>	<u>106,728,011</u>	<u>0</u>
Other Long-Term Liabilities:					
Compensated Absences Payable	5,207,133	753,308	420,274	5,540,167	627,192
Total Other Long-Term Liabilities	<u>5,207,133</u>	<u>753,308</u>	<u>420,274</u>	<u>5,540,167</u>	<u>627,192</u>
Total Long Term Liabilities	<u>\$ 259,413,548</u>	<u>\$ 1,063,713</u>	<u>\$ 43,270,817</u>	<u>\$ 217,206,444</u>	<u>\$ 3,472,375</u>
Business-Type Activities:					
Net Pension Liability	\$ 2,289,525	\$ 0	\$ 640,558	\$ 1,648,967	\$ 0
Net OPEB Liability	890,227	0	138,962	751,265	0
Compensated Absences Payable	43,877	0	288	43,589	2,007
Total Long Term Liabilities	<u>\$ 3,223,629</u>	<u>\$ 0</u>	<u>\$ 779,808</u>	<u>\$ 2,443,821</u>	<u>\$ 2,007</u>

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2014 Classroom Facilities and School Improvement Refunding Bonds

In October 2014, the School District issued \$8,619,838 in refunding general obligation bonds. The proceeds of the bonds were used to refund \$8,620,000 of the School District's outstanding 2007 School Facilities Construction and Improvement General Obligation Bonds. The bonds were issued for a 17 year period with final maturity at December 1, 2031. At the date of the refunding, \$9,798,692 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. At June 30, 2018, \$0 of the defeased debt is outstanding.

These refunding bonds were issued with a premium of \$1,095,123, 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 straight line method, which is not significantly different than the effective interest rate method. The issuance costs were reported as an expenditure. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$953,880. The issuance resulted in an economic gain of \$765,959.

This bond issue consists of \$8,585,000 in serial bonds and \$34,838 in capital appreciation bonds. The serial bonds were issued with interest rates ranging from 2% to 4%. The bonds maturing on or after December 1, 2023 are subject to optional redemption by the School District prior to maturity, beginning December 1, 2022.

The capital appreciation bonds mature December 1, 2022. The capital appreciation bonds are not subject to early redemption. 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 \$760,000.

2015 Classroom Facilities and School Improvement Refunding Bonds

On February 25, 2015, the School District issued \$31,823,938 in refunding general obligation bonds. The proceeds of the bonds were used to refund \$31,825,000 of the School District's outstanding 2007 School Facilities Construction and Improvement General Obligation Bonds. The bonds were issued for a 21 year period with final maturity at December 1, 2035. At the date of the refunding, \$35,192,119 (including premium and after underwriting fees) was deposited in an irrevocable trust to provide for all future payments on the refunded bonds. At June 30, 2018, \$0 of the defeased debt is outstanding.

These refunding bonds were issued with a premium of \$3,817,170, 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 straight line method, which is not significantly different than the effective interest rate method. The issuance costs were reported as an expenditure. The issuance resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$3,967,568. The issuance resulted in an economic gain of \$3,043,031.

This bond issue consists of \$28,535,000 in serial bonds, \$3,045,000 in term bonds and \$243,938 in capital appreciation bonds.

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The serial bonds were issued with a varying interest rate of 1% - 4%. The current interest bonds maturing on and after December 1, 2023 are subject to prior redemption on or after December 1, 2022, by and at the sole option of the School District either in whole or in part (as selected by the School District) on any date and in whole multiples of \$5,000, at par, plus accrued interest to the redemption date.

The term bond was issued with an interest of 4%. The bond maturing after December 1, 2032, will be subject to mandatory redemption requirements on December 1 in the years (mandatory redemption dates) and in the principal amounts as follows (with the balance of \$2,985,000 to be paid at maturity on December 1, 2032):

Year	Principal Amount
2030	\$ 55,000
2031	5,000

The capital appreciation bonds mature December 1, 2019 through 2023 and are not subject to early redemption. 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 \$2,505,000.

2017 Classroom Facilities Bonds

In March 2017, the School District issued \$50,040,000 in general obligation bonds with a varying interest rate of 2.5 - 5.0%. The proceeds of the bonds were issued for the construction of five new school buildings and a sports complex. The bonds were issued for a 35 year period with final maturity at December 1, 2051.

These general obligation bonds were issued with a premium of \$2,918,337, 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 straight line method, which is not significantly different than the effective interest rate method. The general obligation bonds had a discount of \$466,385, which will also be amortized over the life of the bonds. The amounts are being amortized to interest expense over the life of the bonds using the straight line method, which is not significantly different than the effective interest rate method.

2017 Insured Bank Qualified General Obligation Bonds

In March 2017, the School District issued \$9,345,000 in bank qualified general obligation bonds with a varying interest rate of 2.0 – 4.0%. The proceeds of the bonds were issued to pay off the short-term general obligation note that was issued by the School District during fiscal year 2017. The bonds were issued for a 20 year period with final maturity at December 1, 2037.

These general obligation bonds were issued with a premium of \$570,616, 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 straight line method, which is not significantly different than the effective interest rate method.

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Honeywell Energy

In September 2004, The School District signed an agreement with Honeywell International, Inc. for improvements to lighting, water conservation, roof repairs and replacement, temperature controls, building automation system upgrades, building envelope sealing, refrigeration compressor replacement, boiler insulation and plan renovations for \$5,747,014 with an interest rate of 4.09%. The agreement was issued for a 15 year period with final maturity at July 31, 2019.

Qualified Zone Academy Bond

In October 2007, The School District signed an agreement with Zion National Bank for equipment for \$1,225,000 with an interest rate of 1.95%. The agreement was issued for a 15 year period with final maturity at October 31, 2022.

General obligation bonds will be paid from the bond retirement fund. Compensated absences will be paid from the general fund and other debt payments will be paid from the debt service fund. Obligations related to employee compensation will be paid from the fund benefitting from their service, which is primarily the general fund and food service fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the general fund and food service fund. For additional information related to net pension liability and net OPEB liability see Note 12 and Note 13.

Principal and interest requirements to retire general obligation bonds, capital appreciation bonds and other debt outstanding at June 30, 2018 are as follows:

Fiscal Year Ending June 30,	General Obligation Bonds			Capital Appreciation Bonds			Other Long Term Debt			Total		
	Principal	Interest	Total	Principal	Accretion	Total	Principal	Interest	Total	Principal	Interest/ Accretion	Total
2019	\$ 2,250,000	\$ 3,762,376	\$ 6,012,376	\$ 0	\$ 0	\$ 0	\$ 595,183	\$ 35,142	\$ 630,325	\$ 2,845,183	\$ 3,797,518	\$ 6,642,701
2020	1,925,000	3,725,237	5,650,237	85,622	399,378	485,000	352,945	12,422	365,367	2,363,567	4,137,037	6,500,604
2021	1,945,000	3,680,588	5,625,588	61,963	443,037	505,000	90,000	5,308	95,308	2,096,963	4,128,933	6,225,896
2022	1,720,000	3,627,987	5,347,987	65,666	704,334	770,000	90,000	3,571	93,571	1,875,666	4,335,892	6,211,558
2023	1,910,000	3,571,326	5,481,326	65,525	1,439,475	1,505,000	95,000	1,833	96,833	2,070,525	5,012,634	7,083,159
2024-2028	14,265,000	16,495,137	30,760,137	0	0	0	0	0	0	14,265,000	16,495,137	30,760,137
2029-2033	19,750,000	12,919,725	32,669,725	0	0	0	0	0	0	19,750,000	12,919,725	32,669,725
2034-2038	17,890,000	8,776,044	26,666,044	0	0	0	0	0	0	17,890,000	8,776,044	26,666,044
2039-2043	9,870,000	6,254,625	16,124,625	0	0	0	0	0	0	9,870,000	6,254,625	16,124,625
2044-2048	12,435,000	3,671,375	16,106,375	0	0	0	0	0	0	12,435,000	3,671,375	16,106,375
2049-2053	11,880,000	973,400	12,853,400	0	0	0	0	0	0	11,880,000	973,400	12,853,400
	<u>\$ 95,840,000</u>	<u>\$ 67,457,820</u>	<u>\$ 163,297,820</u>	<u>\$ 278,776</u>	<u>\$ 2,986,224</u>	<u>\$ 3,265,000</u>	<u>\$ 1,223,128</u>	<u>\$ 58,276</u>	<u>\$ 1,281,404</u>	<u>\$ 97,341,904</u>	<u>\$ 70,502,320</u>	<u>\$ 167,844,224</u>

NOTE 11: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2018, the School District contracted with Argonaut Insurance Company for property insurance. Professional liability is protected by Argonaut Insurance Company with \$1,000,000 aggregate limit.

Vehicles are covered by Argonaut 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.

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The Treasurer is covered by a surety bond with Cincinnati Insurance Company. The School District also maintains a blanket dishonesty/crime policy of \$1,000,000 with Cincinnati Insurance Company that covers the Board President, Superintendent, Assistant Treasurer, and Director of Business Services.

The School District participates in the Ohio School Board Association Workers' Compensation Retrospective Rating Program (GRRP), an insurance premium rating pool for public school districts. The GRRP'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 GRRP to cover the costs of administering the program.

The intent of the GRRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in GRRP. 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 GRRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRRP 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 GRRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." The firm of Comp Management provides administrative, cost control and actuarial services to the GRRP.

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% of paid claims for medical, prescription, and hearing. 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 and CVS Caremark.

The claims liability is \$681,579 reported in the self-insurance fund at June 30, 2018 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
2017	\$ 819,454	\$ 6,633,084	\$ 7,118,278	\$ 334,260
2018	\$ 334,260	\$ 8,187,219	\$ 7,839,900	\$ 681,579

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NOTE 12: DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

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Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017*	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2% for the first 30 years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

When a benefit recipient has received benefits for 12 months, an annual COLA is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring after January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5%. SERS allocated 0.5% of employer contributions to the Health Care Fund for fiscal year 2018.

The School District’s contractually required contribution to SERS was \$1,400,024 for fiscal year 2018. Of this amount, \$67,784 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation was 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or at age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5% of the 14% employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$4,983,400 for fiscal year 2018. Of this amount, \$854,800 is reported as an intergovernmental payable.

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Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School District's employer allocation percentage of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.30665320%	0.29815041%	
Prior Measurement Date	<u>0.30819420%</u>	<u>0.30315357%</u>	
Change in Proportionate Share	<u>-0.00154100%</u>	<u>-0.00500316%</u>	
Proportionate Share of the Net			
Pension Liability	\$ 18,321,851	\$ 70,826,269	\$ 89,148,120
Pension Expense	\$ (681,835)	\$ (28,031,119)	\$ (28,712,954)

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and			
Actual Experience	\$ 788,510	\$ 2,734,977	\$ 3,523,487
Net Difference between Projected and			
Actual Earnings on Pension Plan Investments	0	0	0
Changes of Assumptions	947,438	15,490,483	16,437,921
Changes in Proportion and Differences between			
School District Contributions and Proportionate			
Share of Contributions	110,934	170,883	281,817
School District Contributions Subsequent to the			
Measurement Date	<u>1,400,024</u>	<u>4,983,400</u>	<u>6,383,424</u>
Total Deferred Outflows of Resources	<u>\$ 3,246,906</u>	<u>\$ 23,379,743</u>	<u>\$ 26,626,649</u>

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	SERS	STRS	Total
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 0	\$ 570,832	\$ 570,832
Net Difference between Projected and Actual Earnings on Pension Plan Investments	86,972	2,337,349	2,424,321
Changes in Proportion and Differences between School District Contributions and Proportionate	191,020	2,627,985	2,819,005
Total Deferred Inflows of Resources	\$ 277,992	\$ 5,536,166	\$ 5,814,158

\$6,383,424 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2019	\$ 711,321	\$ 2,503,963	\$ 3,215,284
2020	1,061,757	5,683,565	6,745,322
2021	222,933	3,755,849	3,978,782
2022	(427,121)	916,800	489,679
	\$ 1,568,890	\$ 12,860,177	\$ 14,429,067

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates among active members were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period ending July 1, 2010 to June 30, 2015. The assumed rate of inflation, payroll growth assumption and assumed real wage growth were reduced in the most recent actuarial valuation. The rates of withdrawal, retirement and disability updated to reflect recent experience and mortality rates were also updated.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

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Discount Rate The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's Proportionate Share of the Net Pension Liability	\$ 25,425,968	\$ 18,321,851	\$ 12,370,704

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Cost-of-Living Adjustments	0.00% effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long Term Expected Real Rate of Return**</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	<u>1.00</u>	2.25
Total	<u>100.00 %</u>	

*The target allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.45% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability as of June 30, 2017, calculated using the current period discount rate assumption of 7.45%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current assumption:

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 101,527,046	\$ 70,826,269	\$ 44,965,466

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NOTE 13: POSTEMPLOYMENT BENEFITS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the School District’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which OPEB are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS’ Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS’ health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS’ health care coverage. Most retirees and dependents choosing SERS’ health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for

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its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the School District's surcharge obligation was \$169,384.

The surcharge, added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$221,237 for fiscal year 2018. Of this amount \$171,894 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.31103620%	0.29815041%	
Prior Measurement Date	0.31231996%	0.30315357%	
Change in Proportionate Share	<u>-0.00128376%</u>	<u>-0.00500316%</u>	
Proportionate Share of the Net			
OPEB Liability	\$ 8,347,394	\$ 11,632,729	\$ 19,980,123
OPEB Expense	\$ 463,957	\$ (3,587,904)	\$ (3,123,947)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 0	\$ 671,513	\$ 671,513
Changes in Proportion and Differences between School District Contributions and Proportionate	54,641	0	54,641
School District Contributions Subsequent to the Measurement Date	221,237	0	221,237
Total Deferred Outflows of Resources	<u>\$ 275,878</u>	<u>\$ 671,513</u>	<u>\$ 947,391</u>
Deferred Inflows of Resources			
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	\$ 22,043	\$ 497,210	\$ 519,253
Changes of Assumptions	792,124	937,055	1,729,179
Changes in Proportion and Differences between School District Contributions and Proportionate	90,464	229,347	319,811
Total Deferred Inflows of Resources	<u>\$ 904,631</u>	<u>\$ 1,663,612</u>	<u>\$ 2,568,243</u>

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\$221,237 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	\$ (272,715)	\$ (206,783)	\$ (479,498)
2020	(272,715)	(206,783)	(479,498)
2021	(226,679)	(206,783)	(433,462)
2022	(23,603)	(206,785)	(230,388)
2023	(18,093)	(82,481)	(100,574)
Thereafter	<u>(36,185)</u>	<u>(82,484)</u>	<u>(118,669)</u>
	<u>\$ (849,990)</u>	<u>\$ (992,099)</u>	<u>\$ (1,842,089)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

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Wage Inflation	3.00%
Future Salary Increases, including inflation	3.50% to 18.20%
Investment Rate of Return	7.50% net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	3.56%
Prior Measurement Date	2.92%
Single Equivalent Interest Rate	
Measurement Date	3.63%, net of plan investment expense, including price inflation
Prior Measurement Date	2.98%, net of plan investment expense, including price inflation
Medical Trend Assumption	
Medicare	5.50% - 5.00%
Pre-Medicare	7.50% - 5.00%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63%. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56%, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	<u>1% Decrease (2.63%)</u>	<u>Current Discount Rate (3.63%)</u>	<u>1% Increase (4.63%)</u>
School District's Proportionate Share of the Net OPEB Liability	\$ 10,080,542	\$ 8,347,394	\$ 6,974,299
		<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's Proportionate Share of the Net OPEB Liability	\$ 6,773,285	\$ 8,347,394	\$ 10,430,755

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Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50%
Projected Salary Increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00% effective July 1, 2017
Blended Discount Rate of Return	4.13%
Health Care Cost Trends	6.00% to 11.00%, initial, 4.50% ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return*</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
	<u>100.00 %</u>	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58% as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13%, which represents the long-term expected rate of return of 7.45% for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58% for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26% which represents the long term expected rate of return of 7.75% for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85% for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's Proportionate Share of the Net OPEB Liability	\$ 15,616,752	\$ 11,632,729	\$ 8,484,049

	1% Decrease	Current Trend Rate	1% Increase
School District's Proportionate Share of the Net OPEB Liability	\$ 8,081,921	\$ 11,632,729	\$ 16,306,007

NOTE 14: JOINTLY GOVERNED ORGANIZATION

The Metropolitan Educational Technology Association (META) is a product of the merger of TRECA and the Metropolitan Educational Council (MEC). As a Regional Council of Governments pursuant to Chapter 167 of the Ohio Revised Code, META seeks to identify, develop, and provide to Members and non-members innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. META's governing body is the Board of Directors, which consists of eight (8) superintendents representing a different Full Member school district of the Association. The General Assembly is established from the Full Members and those Associate Members receiving Core Services for the purpose of serving as a deliberative and advisory body of the Association.

Financial information can be obtained by writing META at 100 Executive Drive, Marion, OH 43302. During fiscal year 2018, the School District contributed \$101,393 to META.

NOTE 15: CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2018, if applicable, cannot be determined at this time.

Litigation

The School District is not party to any claims or lawsuits that would, in the School District's opinion, have a material effect of the basic financial statements.

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For the Fiscal Year Ended June 30, 2018

School District Funding

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

NOTE 16: 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 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 capital acquisition. Disclosure of this information is required by State statute.

	Capital Improvement Reserve
Set-Aside Restricted Balance, June 30, 2017	\$ 0
Current Year Set-Aside Requirement	1,062,293
Prior Year Offset From Bond Proceeds	(1,062,293)
Total	<u>\$ 0</u>
Balance Carried Forward to Fiscal Year 2019	<u>\$ 0</u>
Set-Aside Restricted Balance June 30, 2018	<u>\$ 0</u>

The School District has prior year bond proceeds in connection with a bond that may be carried forward to offset future set-aside requirements. The remaining amount of these bond proceeds as of June 30, 2018 is \$58,322,707.

NOTE 17: 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.

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

	General	Classroom Facilities	Nonmajor Governmental Funds	Total
Nonspendable for:				
Unclaimed Funds	\$ 7,350	\$ 0	\$ 0	\$ 7,350
Prepays	138,749	0	0	138,749
Total Nonspendable	146,099	0	0	146,099
Restricted for:				
Debt Service	0	0	5,186,713	5,186,713
Capital Outlay	0	52,828,402	17,415,751	70,244,153
Facilities Maintenance	0	0	1,387,213	1,387,213
Federally Funded Program	0	0	3,311	3,311
State Funded Programs	0	0	205,329	205,329
Student Activities	0	0	45,316	45,316
Local Grants	0	0	555,797	555,797
Total Restricted	0	52,828,402	24,799,430	77,627,832
Committed for:				
Termination Benefits	217,059	0	0	217,059
Assigned for:				
Encumbrances:				
Instructional	310,599	0	0	310,599
Support Services	1,207,062	0	0	1,207,062
Non-instructional	1,361	0	0	1,361
Extracurricular Activities	1,450	0	0	1,450
Capital Outlay	250	0	0	250
Subsequent Year Appropriations	7,821,604	0	0	7,821,604
Uniform School Supplies	42,533	0	0	42,533
Total Assigned	9,384,859	0	0	9,384,859
Unassigned	17,312,565	0	(329,090)	16,983,475
Total Fund Balance	\$ 27,060,582	\$ 52,828,402	\$ 24,470,340	\$ 104,359,324

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NOTE 18: SIGNIFICANT COMMITMENTS

Contractual Commitments

As a result of projects that were in progress at June 30, 2018, the School District had the following outstanding contractual commitments at fiscal year-end:

	Contract Amount	Expenditures as of June 30, 2018	Amount Remaining on Contract
Stadium	\$ 13,637,495	\$ 8,298,712	\$ 5,338,783
OFCC Project	10,673,665	1,479,225	9,194,440

Based on timing of when contracts are encumbered, contractual commitments identified above may or may not be included in the outstanding encumbrance commitments disclosed in this note.

Encumbrance Commitments

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the School District's commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General	\$ 1,522,872
Classroom Facilities	9,145,952
Nonmajor Governmental	3,668,836
	\$ 14,337,660

NOTE 19: TAX ABATEMENTS

The City of Elyria has entered into tax abatement agreements in order to retain or attract new industry, preserve or increase employment and revitalize the local economy. These tax abatements also affect the School District's revenue stream, as they mean that the School District is foregoing or reducing tax revenue it is otherwise entitled to collect. All agreements are in effect prior to the reduction of taxes and are granted for the purpose of economic assistance or development. As of June 30, 2018, the School District is impacted by 12 tax abatements through two programs—the Community Reinvestment Area Program and the Enterprise Zone Program.

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The Community Reinvestment Area Program (CRA) is a direct incentive tax exemption program, established under the Ohio Revised Code Section 3735.66 benefiting property owners who renovate existing structures or construct new buildings. This program allows appointment of designated areas where revitalization is encouraged. The School District grants tax abatements of up to 100% of the property tax bill.

The Ohio Enterprise Zone Program (EZ) is an economic development tool that provides real estate property tax exemptions to businesses making investments within the School District's boundaries. Enterprise zones are designated areas of land in which business can receive tax incentives in the form of tax exemptions on new investments, when the investment also includes job creation. The School District's enterprise zones have been created under the Ohio Revised Code Section 5709. The School District may grant real property tax abatements of up to 100% and may require additional commitments from recipients.

All 12 agreements were granted by the City of Elyria decreasing the School District's fiscal year 2018 real estate tax revenues by \$584,687 and \$1,605,004 under the EZ and CRA, respectively.

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Elyria School District
Lorain County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Five Fiscal Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>School Employees Retirement System (SERS)</i>					
School District's Proportion of the Net Pension Liability	0.30665320%	0.30819420%	0.29984790%	0.29856100%	0.29856100%
School District's Proportionate Share of the Net Pension Liability	\$ 18,321,851	\$ 22,556,972	\$ 17,109,612	\$ 15,110,002	\$ 17,754,464
School District's Covered Payroll	\$ 9,070,257	\$ 7,507,800	\$ 8,590,842	\$ 7,271,602	\$ 7,575,448
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.00%	300.45%	199.16%	207.79%	234.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%
<i>State Teachers Retirement System (STRS)</i>					
School District's Proportion of the Net Pension Liability	0.29815041%	0.30315357%	0.31167282%	0.31017853%	0.31017853%
School District's Proportionate Share of the Net Pension Liability	\$ 70,826,269	\$ 101,474,638	\$ 86,137,251	\$ 75,446,153	\$ 89,870,964
School District's Covered Payroll	\$ 32,075,621	\$ 33,134,236	\$ 32,173,807	\$ 30,913,908	\$ 33,361,269
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	220.81%	306.25%	267.72%	244.05%	269.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

Elyria School District
Lorain County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - Pension
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution	\$ 1,400,024	\$ 1,269,836	\$ 1,051,092	\$ 1,132,273
Contributions in Relation to the Contractually Required Contribution	<u>(1,400,024)</u>	<u>(1,269,836)</u>	<u>(1,051,092)</u>	<u>(1,132,273)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 10,370,548	\$ 9,070,257	\$ 7,507,800	\$ 8,590,842
Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 4,983,400	\$ 4,490,587	\$ 4,638,793	\$ 4,504,333
Contributions in Relation to the Contractually Required Contribution	<u>(4,983,400)</u>	<u>(4,490,587)</u>	<u>(4,638,793)</u>	<u>(4,504,333)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 35,595,714	\$ 32,075,621	\$ 33,134,236	\$ 32,173,807
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 1,007,844	\$ 1,048,442	\$ 1,084,414	\$ 1,187,161	\$ 1,347,619	\$ 742,982
<u>(1,007,844)</u>	<u>(1,048,442)</u>	<u>(1,084,414)</u>	<u>(1,187,161)</u>	<u>(1,347,619)</u>	<u>(742,982)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 7,271,602	\$ 7,575,448	\$ 8,062,558	\$ 9,444,399	\$ 9,952,873	\$ 7,550,630
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%
\$ 4,018,808	\$ 4,336,965	\$ 4,556,929	\$ 4,301,686	\$ 4,653,391	\$ 4,575,983
<u>(4,018,808)</u>	<u>(4,336,965)</u>	<u>(4,556,929)</u>	<u>(4,301,686)</u>	<u>(4,653,391)</u>	<u>(4,575,983)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 30,913,908	\$ 33,361,269	\$ 35,053,300	\$ 33,089,892	\$ 35,795,315	\$ 35,199,869
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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Elyria School District
Lorain County, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Last Two Fiscal Years (1)

	2018	2017
<i>School Employees Retirement System (SERS)</i>		
School District's Proportion of the Net OPEB Liability	0.31103620%	0.31231996%
School District's Proportionate Share of the Net OPEB Liability	\$ 8,347,394	\$ 8,902,274
School District's Covered Payroll	\$ 9,070,257	\$ 7,507,800
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	92.03%	118.57%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%
<i>State Teachers Retirement System (STRS)</i>		
School District's Proportion of the Net OPEB Liability	0.29815041%	0.30315357%
School District's Proportionate Share of the Net OPEB Liability	\$ 11,632,729	\$ 16,212,732
School District's Covered Payroll	\$ 32,075,621	\$ 33,134,236
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.27%	0.489304541
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year

Elyria School District
Lorain County, Ohio
Required Supplementary Information
Schedule of the School District's Contributions - OPEB
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<i>School Employees Retirement System (SERS)</i>				
Contractually Required Contribution (1)	\$ 221,237	\$ 168,847	\$ 158,031	\$ 220,331
Contributions in Relation to the Contractually Required Contribution	<u>(221,237)</u>	<u>(168,847)</u>	<u>(158,031)</u>	<u>(220,331)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 10,370,548	\$ 9,070,257	\$ 7,507,800	\$ 8,590,842
Contributions as a Percentage of Covered Payroll (1)	2.13%	1.86%	2.10%	2.56%
<i>State Teachers Retirement System (STRS)</i>				
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
School District's Covered Payroll	\$ 35,595,714	\$ 32,075,621	\$ 33,134,236	\$ 32,173,807
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 164,306	\$ 153,414	\$ 44,510	\$ 40,332	\$ 45,783	\$ 304,075
<u>(164,306)</u>	<u>(153,414)</u>	<u>(44,510)</u>	<u>(40,332)</u>	<u>(45,783)</u>	<u>(304,075)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 7,271,602	\$ 7,575,448	\$ 8,062,558	\$ 9,444,399	\$ 9,952,873	\$ 7,550,630
2.26%	2.03%	0.55%	0.43%	0.46%	4.03%
\$ 309,139	\$ 333,613	\$ 350,533	\$ 330,899	\$ 357,953	\$ 351,999
<u>(309,139)</u>	<u>(333,613)</u>	<u>(350,533)</u>	<u>(330,899)</u>	<u>(357,953)</u>	<u>(351,999)</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 30,913,908	\$ 33,361,269	\$ 35,053,300	\$ 33,089,892	\$ 35,795,315	\$ 35,199,869
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Elyria City School District
Lorain County, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Note 1 - Net Pension Liability

Changes in Assumptions - SERS

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disable member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00% to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Assumptions – STRS

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

Effective for fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

Elyria City School District
Lorain County, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Note 2 - Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2018	3.56%
Fiscal year 2017	2.92%

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2018	3.63%
Fiscal year 2017	2.98%

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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***Combining Statements and
Individual Fund Schedules -
Nonmajor Governmental Funds***

Elyria City School District
Lorain County, Ohio
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. With the implementation of GASB No. 54, the uniform school supplies, public school support, inter-district services and termination benefit special revenue funds have been classified with the general fund for GAAP reporting purposes. However, these funds have their own legally adopted budgets. As a result, Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual have been presented for these funds. Following is a description of the School District's Nonmajor special revenue funds:

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

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

Inter-District Services Fund - This fund accounts for functions that provide goods or services to other areas within the School District.

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

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.

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.

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

(continued)

Elyria City School District
Lorain County, Ohio
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.

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

Title I 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.

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.

Improving Teach Quality Fund – This fund accounts for federal monies used to reduce class sizes in elementary schools.

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

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.

Building Fund – This fund accounts for monies related to all special bond funds in the district. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

Elyria City School District
Lorain County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 2,231,138	\$ 2,019,087	\$ 20,036,488	\$ 24,286,713
Cash and Investments in Segregated Accounts	0	2,019,054	0	2,019,054
Receivables:				
Taxes	386,719	5,976,754	0	6,363,473
Accounts	250,000	0	0	250,000
Intergovernmental	2,133,625	0	0	2,133,625
<i>Total Assets</i>	<u>\$ 5,001,482</u>	<u>\$ 10,014,895</u>	<u>\$ 20,036,488</u>	<u>\$ 35,052,865</u>
Liabilities				
Accounts Payable	\$ 81,514	\$ 0	\$ 0	\$ 81,514
Contracts Payable	0	0	2,346,071	2,346,071
Accrued Wages and Benefits	555,311	0	0	555,311
Retainage Payable	0	0	274,666	274,666
Interfund Payable	593,000	0	0	593,000
Intergovernmental Payable	82,041	0	0	82,041
<i>Total Liabilities</i>	<u>1,311,866</u>	<u>0</u>	<u>2,620,737</u>	<u>3,932,603</u>
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	279,122	4,402,526	0	4,681,648
Unavailable Revenue	1,542,618	425,656	0	1,968,274
<i>Total Deferred Inflows of Resources</i>	<u>1,821,740</u>	<u>4,828,182</u>	<u>0</u>	<u>6,649,922</u>
Fund Balances				
Restricted	2,196,966	5,186,713	17,415,751	24,799,430
Unassigned	(329,090)	0	0	(329,090)
<i>Total Fund Balances</i>	<u>1,867,876</u>	<u>5,186,713</u>	<u>17,415,751</u>	<u>24,470,340</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 5,001,482</u>	<u>\$ 10,014,895</u>	<u>\$ 20,036,488</u>	<u>\$ 35,052,865</u>

Elyria City School District
Lorain County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Local Taxes	\$ 402,417	\$ 6,340,090	\$ 0	\$ 6,742,507
Intergovernmental	6,642,742	451,289	131,026	7,225,057
Interest	11,851	0	177,023	188,874
Tuition and Fees	25,722	0	0	25,722
Extracurricular Activities	130,281	0	0	130,281
Gifts and Donations	324,214	0	7,000	331,214
Miscellaneous	39,020	0	338	39,358
<i>Total Revenues</i>	<u>7,576,247</u>	<u>6,791,379</u>	<u>315,387</u>	<u>14,683,013</u>
Expenditures				
Current:				
Instruction:				
Regular	281,248	0	0	281,248
Special	2,845,571	0	0	2,845,571
Vocational	5,798	0	0	5,798
Student Intervention Services	289,434	0	0	289,434
Other	1,316	0	0	1,316
Support Services:				
Pupils	842,787	0	0	842,787
Instructional Staff	567,155	0	0	567,155
Administration	342,522	0	0	342,522
Fiscal	7,259	113,372	0	120,631
Operation and Maintenance of Plant	234,543	0	30,330	264,873
Pupil Transportation	8,258	0	0	8,258
Central	494	0	0	494
Extracurricular Activities	151,684	0	0	151,684
Operation of Non-instructional Services:				
Community Services	1,333,926	0	0	1,333,926
Capital Outlay	0	0	9,043,849	9,043,849
Debt Service:				
Principal Retirement	0	2,700,000	0	2,700,000
Interest and Fiscal Charges	0	3,869,456	0	3,869,456
<i>Total Expenditures</i>	<u>6,911,995</u>	<u>6,682,828</u>	<u>9,074,179</u>	<u>22,669,002</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	664,252	108,551	(8,758,792)	(7,985,989)
Other Financing Sources and (Uses)				
Transfers In	36,000	0	2,200,000	2,236,000
<i>Net Change in Fund Balances</i>	700,252	108,551	(6,558,792)	(5,749,989)
<i>Fund Balances Beginning of Year, Restated See Note 2</i>	<u>1,167,624</u>	<u>5,078,162</u>	<u>23,974,543</u>	<u>30,220,329</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,867,876</u>	<u>\$ 5,186,713</u>	<u>\$ 17,415,751</u>	<u>\$ 24,470,340</u>

Elyria City School District
Lorain County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Local Grants	Classroom Facilities Maintenance	Athletics and Music
Assets			
Equity in Pooled Cash and Investments	\$ 343,443	\$ 1,312,596	\$ 47,841
Receivables:			
Taxes	0	386,719	0
Accounts	250,000	0	0
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$ 593,443</u>	<u>\$ 1,699,315</u>	<u>\$ 47,841</u>
Liabilities			
Accounts Payable	\$ 3,502	\$ 569	\$ 2,525
Accrued Wages and Benefits	29,558	3,045	0
Interfund Payable	0	0	0
Intergovernmental Payable	4,586	646	0
<i>Total Liabilities</i>	<u>37,646</u>	<u>4,260</u>	<u>2,525</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	0	279,122	0
Unavailable Revenue	0	28,720	0
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>307,842</u>	<u>0</u>
Fund Balances			
Restricted	555,797	1,387,213	45,316
Unassigned	0	0	0
<i>Total Fund Balances</i>	<u>555,797</u>	<u>1,387,213</u>	<u>45,316</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 593,443</u>	<u>\$ 1,699,315</u>	<u>\$ 47,841</u>

Auxiliary Services	Public School Preschool	Data Communications	Alternative Schools	Miscellaneous State Grants
\$ 277,943	\$ 43,056	\$ 0	\$ 0	\$ 5,727
0	0	0	0	0
0	0	0	0	0
0	66,010	0	0	4,420
<u>\$ 277,943</u>	<u>\$ 109,066</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,147</u>
\$ 65,077	\$ 0	\$ 0	\$ 0	\$ 0
11,596	27,144	0	0	0
0	66,000	0	0	0
1,668	5,139	0	0	0
<u>78,341</u>	<u>98,283</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0
0	66,010	0	0	4,420
<u>0</u>	<u>66,010</u>	<u>0</u>	<u>0</u>	<u>4,420</u>
199,602	0	0	0	5,727
0	(55,227)	0	0	0
<u>199,602</u>	<u>(55,227)</u>	<u>0</u>	<u>0</u>	<u>5,727</u>
<u>\$ 277,943</u>	<u>\$ 109,066</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,147</u>

(Continued)

Elyria City School District
Lorain County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	IDEA Part B	Title I School Improvement	Title III
Assets			
Equity in Pooled Cash and Investments	\$ 78,232	\$ 53,344	\$ 895
Receivables:			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	483,841	98,589	9,007
<i>Total Assets</i>	<u>\$ 562,073</u>	<u>\$ 151,933</u>	<u>\$ 9,902</u>
Liabilities			
Accounts Payable	\$ 981	\$ 733	\$ 0
Accrued Wages and Benefits	163,512	0	0
Interfund Payable	200,000	95,000	3,000
Intergovernmental Payable	39,581	1,925	0
<i>Total Liabilities</i>	<u>404,074</u>	<u>97,658</u>	<u>3,000</u>
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	0	0	0
Unavailable Revenue	260,258	98,589	9,007
<i>Total Deferred Inflows of Resources</i>	<u>260,258</u>	<u>98,589</u>	<u>9,007</u>
Fund Balances			
Restricted	0	0	0
Unassigned	(102,259)	(44,314)	(2,105)
<i>Total Fund Balances</i>	<u>(102,259)</u>	<u>(44,314)</u>	<u>(2,105)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 562,073</u>	<u>\$ 151,933</u>	<u>\$ 9,902</u>

Title I	Preschool Handicapped Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 48,734	\$ 1,143	\$ 15,032	\$ 3,152	\$ 2,231,138
0	0	0	0	386,719
0	0	0	0	250,000
821,173	11,306	260,818	378,461	2,133,625
<u>\$ 869,907</u>	<u>\$ 12,449</u>	<u>\$ 275,850</u>	<u>\$ 381,613</u>	<u>\$ 5,001,482</u>
\$ 5,933	\$ 0	\$ 1,933	\$ 261	\$ 81,514
286,965	5,870	27,621	0	555,311
175,000	4,000	40,000	10,000	593,000
21,719	729	5,558	490	82,041
<u>489,617</u>	<u>10,599</u>	<u>75,112</u>	<u>10,751</u>	<u>1,311,866</u>
0	0	0	0	279,122
491,858	4,951	211,254	367,551	1,542,618
<u>491,858</u>	<u>4,951</u>	<u>211,254</u>	<u>367,551</u>	<u>1,821,740</u>
0	0	0	3,311	2,196,966
(111,568)	(3,101)	(10,516)	0	(329,090)
<u>(111,568)</u>	<u>(3,101)</u>	<u>(10,516)</u>	<u>3,311</u>	<u>1,867,876</u>
<u>\$ 869,907</u>	<u>\$ 12,449</u>	<u>\$ 275,850</u>	<u>\$ 381,613</u>	<u>\$ 5,001,482</u>

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

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For Fiscal Year Ended June 30, 2018*

	Local Grants	Classroom Facilities Maintenance	Athletics and Music
Revenues			
Property and Other Local Taxes	\$ 0	\$ 402,417	\$ 0
Intergovernmental	9,351	46,004	0
Interest	0	8,799	0
Tuition and Fees	25,722	0	0
Extracurricular Activities	16,134	0	114,147
Gifts and Donations	323,644	0	570
Miscellaneous	18,493	0	20,122
<i>Total Revenues</i>	<u>393,344</u>	<u>457,220</u>	<u>134,839</u>
Expenditures			
Current:			
Instruction:			
Regular	149,706	0	0
Special	241,018	0	0
Vocational			
Student Intervention Services	0	0	0
Other	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	2,563	0	0
Administration	1,719	0	0
Fiscal	0	7,259	0
Operation and Maintenance of Plant	265	207,920	0
Pupil Transportation	0	0	0
Central	0	0	0
Extracurricular Activities	4,443	0	147,241
Operation of Non-instructional Services:			
Community Services	19,217	0	0
<i>Total Expenditures</i>	<u>418,931</u>	<u>215,179</u>	<u>147,241</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(25,587)	242,041	(12,402)
Other Financing Sources and (Uses)			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	(25,587)	242,041	(12,402)
<i>Fund Balances Beginning of Year</i>	<u>581,384</u>	<u>1,145,172</u>	<u>57,718</u>
<i>Fund Balances End of Year</i>	<u>\$ 555,797</u>	<u>\$ 1,387,213</u>	<u>\$ 45,316</u>

Auxiliary Services	Public School Preschool	Data Communications	Alternative Schools	Miscellaneous State Grants
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1,204,671	331,486	0	17,345	0
3,052	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
255	0	0	0	0
<u>1,207,978</u>	<u>331,486</u>	<u>0</u>	<u>17,345</u>	<u>0</u>
0	0	0	0	0
0	320,288	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	2,141
0	0	0	0	0
0	65,014	0	3,876	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	494	0	0
0	0	0	0	0
<u>1,101,638</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,101,638</u>	<u>385,302</u>	<u>494</u>	<u>3,876</u>	<u>2,141</u>
106,340	(53,816)	(494)	13,469	(2,141)
<u>0</u>	<u>36,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
106,340	(17,816)	(494)	13,469	(2,141)
<u>93,262</u>	<u>(37,411)</u>	<u>494</u>	<u>(13,469)</u>	<u>7,868</u>
<u>\$ 199,602</u>	<u>\$ (55,227)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,727</u>

(Continued)

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

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For Fiscal Year Ended June 30, 2018*

	IDEA Part B	Title I School Improvement	Title III
Revenues			
Property and Other Local Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental	1,812,237	117,520	21,070
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>1,812,237</u>	<u>117,520</u>	<u>21,070</u>
Expenditures			
Current:			
Instruction:			
Regular	0	85,756	20,306
Special	965,387	0	0
Vocational	0	0	0
Student Intervention Services	0	0	0
Other	0	0	0
Support Services:			
Pupils	360,015	66,807	0
Instructional Staff	15,287	338	100
Administration	213,821	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	26,358	0	0
Pupil Transportation	0	1,905	0
Central	0	0	0
Extracurricular Activities	0	0	0
Operation of Non-instructional Services:			
Community Services	107,021	0	0
<i>Total Expenditures</i>	<u>1,687,889</u>	<u>154,806</u>	<u>20,406</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	124,348	(37,286)	664
Other Financing Sources and (Uses)			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	124,348	(37,286)	664
<i>Fund Balances Beginning of Year</i>	<u>(226,607)</u>	<u>(7,028)</u>	<u>(2,769)</u>
<i>Fund Balances End of Year</i>	<u>\$ (102,259)</u>	<u>\$ (44,314)</u>	<u>\$ (2,105)</u>

Title I	Preschool Handicapped Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 402,417
2,619,036	50,205	377,512	36,305	6,642,742
0	0	0	0	11,851
0	0	0	0	25,722
0	0	0	0	130,281
0	0	0	0	324,214
0	0	150	0	39,020
<u>2,619,036</u>	<u>50,205</u>	<u>377,662</u>	<u>36,305</u>	<u>7,576,247</u>
60	0	0	25,420	281,248
1,275,761	43,117	0	0	2,845,571
5,798	0	0	0	5,798
289,434	0	0	0	289,434
1,316	0	0	0	1,316
413,824	0	0	0	842,787
270,293	830	277,744	0	567,155
58,092	0	0	0	342,522
0	0	0	0	7,259
0	0	0	0	234,543
1,353	0	0	5,000	8,258
0	0	0	0	494
0	0	0	0	151,684
46,644	0	56,832	2,574	1,333,926
<u>2,362,575</u>	<u>43,947</u>	<u>334,576</u>	<u>32,994</u>	<u>6,911,995</u>
256,461	6,258	43,086	3,311	664,252
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,000</u>
256,461	6,258	43,086	3,311	700,252
<u>(368,029)</u>	<u>(9,359)</u>	<u>(53,602)</u>	<u>0</u>	<u>1,167,624</u>
<u>\$ (111,568)</u>	<u>\$ (3,101)</u>	<u>\$ (10,516)</u>	<u>\$ 3,311</u>	<u>\$ 1,867,876</u>

Elyria City School District
Lorain County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2018

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Investments	\$ 819,093	\$ 19,217,395	\$ 20,036,488
<i>Total Assets</i>	<u>\$ 819,093</u>	<u>\$ 19,217,395</u>	<u>\$ 20,036,488</u>
Liabilities			
Contracts Payable	\$ 0	\$ 2,346,071	\$ 2,346,071
Retainage Payable	0	274,666	274,666
<i>Total Liabilities</i>	<u>0</u>	<u>2,620,737</u>	<u>2,620,737</u>
Fund Balances			
Restricted	819,093	16,596,658	17,415,751
<i>Total Liabilities and Fund Balances</i>	<u>\$ 819,093</u>	<u>\$ 19,217,395</u>	<u>\$ 20,036,488</u>

Elyria City School District
Lorain County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For Fiscal Year Ended June 30, 2018

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$ 131,026	\$ 0	\$ 131,026
Interest	0	177,023	177,023
Gifts and Donations	7,000	0	7,000
Miscellaneous	338	0	338
<i>Total Revenues</i>	<u>138,364</u>	<u>177,023</u>	<u>315,387</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant	30,330	0	30,330
Capital Outlay	0	9,043,849	9,043,849
<i>Total Expenditures</i>	<u>30,330</u>	<u>9,043,849</u>	<u>9,074,179</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	108,034	(8,866,826)	(8,758,792)
Other Financing Sources and (Uses)			
Transfers In	0	2,200,000	2,200,000
<i>Net Change in Fund Balances</i>	108,034	(6,666,826)	(6,558,792)
<i>Fund Balances Beginning of Year, Restated See Note 2</i>	<u>711,059</u>	<u>23,263,484</u>	<u>23,974,543</u>
<i>Fund Balances End of Year</i>	<u>\$ 819,093</u>	<u>\$ 16,596,658</u>	<u>\$ 17,415,751</u>

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

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$ 55,684	\$ 64,339	\$ 8,655
Expenditures			
Current:			
Instruction:			
Regular	131,192	122,924	8,268
<i>Excess of Revenues Over (Under) Expenditures</i>	(75,508)	(58,585)	16,923
Other Financing Sources (Uses)			
Transfers Out	75,316	67,000	(8,316)
<i>Net Change in Fund Balance</i>	(192)	8,415	8,607
<i>Fund Balance Beginning of Year</i>	28,580	28,580	0
Prior Year Encumbrances Appropriated	3,381	3,381	0
<i>Fund Balance End of Year</i>	\$ 31,769	\$ 40,376	\$ 8,607

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$ 56,228	\$ 64,780	\$ 8,552
Contributions and Donations	11,269	13,747	2,478
Miscellaneous	42,517	55,901	13,384
<i>Total Revenues</i>	<u>110,014</u>	<u>134,428</u>	<u>24,414</u>
Expenditures			
Current:			
Extracurricular Activities	<u>229,678</u>	<u>133,822</u>	<u>95,856</u>
<i>Net Change in Fund Balance</i>	(119,664)	606	120,270
<i>Fund Balance Beginning of Year</i>	159,706	159,706	0
Prior Year Encumbrances Appropriated	<u>3,499</u>	<u>3,499</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 43,541</u>	<u>\$ 163,811</u>	<u>\$ 120,270</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Net Change in Fund Balance</i>	\$ 0	\$ 0	\$ 0
<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
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$ 0	\$ 6	\$ 6
Expenditures			
Current:			
Instruction:			
Regular	\$ 193,928	\$ 192,095	\$ 1,833
Support Services:			
Instructional Staff	61,634	60,099	1,535
Administration	55,000	54,920	80
<i>Total Expenditures</i>	<u>310,562</u>	<u>307,114</u>	<u>3,448</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(310,562)</u>	<u>(307,108)</u>	<u>3,454</u>
Other Financing Sources (Uses)			
Transfers Out	500,000	500,000	0
<i>Net Change in Fund Balance</i>	189,438	192,892	3,454
<i>Fund Balance Beginning of Year</i>	<u>55,109</u>	<u>55,109</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 244,547</u>	<u>\$ 248,001</u>	<u>\$ 3,454</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 6,722	\$ 9,351	\$ 2,629
Tuition and Fees	17,060	25,722	8,662
Extracurricular Activities	15,530	16,134	604
Contributions and Donations	293,334	323,644	30,310
Miscellaneous	4,057	18,493	14,436
<i>Total Revenues</i>	<u>336,703</u>	<u>393,344</u>	<u>56,641</u>
Expenditures			
Current:			
Instruction:			
Regular	213,001	159,116	53,885
Special	294,263	243,322	50,941
Support Services:			
Instructional Staff	2,637	2,563	74
Administration	21,854	1,719	20,135
Operation and Maintenance of Plant	294	265	29
Extracurricular Activities	11,977	5,512	6,465
Operation of Non-Instructional Services:			
Community Services	22,970	19,341	3,629
<i>Total Expenditures</i>	<u>566,996</u>	<u>431,838</u>	<u>135,158</u>
<i>Net Change in Fund Balance</i>	(230,293)	(38,494)	191,799
<i>Fund Balance Beginning of Year</i>	362,951	362,951	0
Prior Year Encumbrances Appropriated	<u>9,792</u>	<u>9,792</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 142,450</u>	<u>\$ 334,249</u>	<u>\$ 191,799</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 350,100	\$ 352,072	\$ 1,972
Intergovernmental	46,004	46,004	0
Investment Income	13,813	15,692	1,879
<i>Total Revenues</i>	<u>409,917</u>	<u>413,768</u>	<u>3,851</u>
Expenditures			
Current:			
Support Services:			
Fiscal	6,800	7,259	(459)
Operation and Maintenance of Plant	293,687	216,675	77,012
<i>Total Expenditures</i>	<u>300,487</u>	<u>223,934</u>	<u>76,553</u>
<i>Net Change in Fund Balance</i>	109,430	189,834	80,404
<i>Fund Balance Beginning of Year</i>	1,103,553	1,103,553	0
Prior Year Encumbrances Appropriated	17,098	17,098	0
<i>Fund Balance End of Year</i>	<u>\$ 1,230,081</u>	<u>\$ 1,310,485</u>	<u>\$ 80,404</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$ 110,760	\$ 114,147	\$ 3,387
Contributions and Donations	550	570	20
Miscellaneous	20,026	20,122	96
<i>Total Revenues</i>	<u>131,336</u>	<u>134,839</u>	<u>3,503</u>
Expenditures			
Current:			
Extracurricular Activities	<u>165,606</u>	<u>162,512</u>	<u>3,094</u>
<i>Net Change in Fund Balance</i>	(34,270)	(27,673)	6,597
<i>Fund Balance Beginning of Year</i>	49,524	49,524	0
Prior Year Encumbrances Appropriated	<u>10,982</u>	<u>10,982</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 26,236</u>	<u>\$ 32,833</u>	<u>\$ 6,597</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,195,672	\$ 1,204,671	\$ 8,999
Investment Income	0	4,981	4,981
Miscellaneous	255	255	0
<i>Total Revenues</i>	<u>1,195,927</u>	<u>1,209,907</u>	<u>13,980</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services	<u>1,428,996</u>	<u>1,332,743</u>	<u>96,253</u>
<i>Net Change in Fund Balance</i>	(233,069)	(122,836)	110,233
<i>Fund Balance Beginning of Year</i>	25,940	25,940	0
Prior Year Encumbrances Appropriated	<u>271,796</u>	<u>271,796</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 64,667</u>	<u>\$ 174,900</u>	<u>\$ 110,233</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 433,486	\$ 331,486	\$ (102,000)
Expenditures			
Current:			
Instruction:			
Special	360,734	348,793	11,941
Support Services:			
Administration	72,301	60,444	11,857
<i>Total Expenditures</i>	<u>433,035</u>	<u>409,237</u>	<u>23,798</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>451</u>	<u>(77,751)</u>	<u>(78,202)</u>
Other Financing Sources (Uses)			
Advances In	0	66,000	66,000
Transfers In	0	36,000	36,000
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>102,000</u>	<u>102,000</u>
<i>Net Change in Fund Balance</i>	451	24,249	23,798
<i>Fund Balance Beginning of Year</i>	1,834	1,834	0
Prior Year Encumbrances Appropriated	<u>11,310</u>	<u>11,310</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 13,595</u>	<u>\$ 37,393</u>	<u>\$ 23,798</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Support Services:			
Central	\$ 494	\$ 494	\$ 0
<i>Net Change in Fund Balance</i>	(494)	(494)	0
<i>Fund Balance Beginning of Year</i>	494	494	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 17,345	\$ 17,345	\$ 0
Expenditures			
Current:			
Support Services:			
Administration	17,325	17,325	0
<i>Excess of Revenues Over (Under) Expenditures</i>	20	20	0
Other Financing Sources (Uses)			
Advances Out	(19,066)	(19,066)	0
<i>Net Change in Fund Balance</i>	(19,046)	(19,046)	0
<i>Fund Balance Beginning of Year</i>	19,046	19,046	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 0	\$ 0

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures			
Current:			
Support Services:			
Pupils	\$ 7,869	\$ 2,141	\$ 5,728
<i>Net Change in Fund Balance</i>	(7,869)	(2,141)	5,728
<i>Fund Balance Beginning of Year</i>	7,869	7,869	0
<i>Fund Balance End of Year</i>	\$ 0	\$ 5,728	\$ 5,728

Elyria City School District
Lorain County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
IDEA Part B Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 1,788,654	\$ 1,588,654	\$ (200,000)
Expenditures			
Current:			
Instruction:			
Special	956,133	950,681	5,452
Support Services:			
Pupils	369,410	369,004	406
Administration	245,454	244,771	683
Operation of Non-Instructional Services:			
Community Services	114,214	113,746	468
<i>Total Expenditures</i>	<u>1,685,211</u>	<u>1,678,202</u>	<u>7,009</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>103,443</u>	<u>(89,548)</u>	<u>(192,991)</u>
Other Financing Sources (Uses)			
Advances In	0	200,000	200,000
Advances Out	(364,578)	(364,578)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(364,578)</u>	<u>(164,578)</u>	<u>200,000</u>
<i>Net Change in Fund Balance</i>	(261,135)	(254,126)	7,009
<i>Fund Balance Beginning of Year</i>	331,157	331,157	0
Prior Year Encumbrances Appropriated	<u>232</u>	<u>232</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 70,254</u>	<u>\$ 77,263</u>	<u>\$ 7,009</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 212,520	\$ 117,520	\$ (95,000)
Expenditures			
Current:			
Instruction:			
Regular	99,467	86,309	13,158
Support Services:			
Pupils	71,404	67,679	3,725
Instructional Staff	12,500	0	12,500
Pupil Transportation	8,000	1,668	6,332
<i>Total Expenditures</i>	<u>191,371</u>	<u>155,656</u>	<u>35,715</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>21,149</u>	<u>(38,136)</u>	<u>(59,285)</u>
Other Financing Sources (Uses)			
Advances In	0	95,000	95,000
Advances Out	(29,623)	(29,623)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(29,623)</u>	<u>65,377</u>	<u>95,000</u>
<i>Net Change in Fund Balance</i>	(8,474)	27,241	35,715
<i>Fund Balance Beginning of Year</i>	<u>25,073</u>	<u>25,073</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 16,599</u>	<u>\$ 52,314</u>	<u>\$ 35,715</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 24,001	\$ 21,070	\$ (2,931)
Expenditures			
Current:			
Instruction:			
Regular	23,145	23,075	70
Support Services:			
Instructional Staff	100	100	0
<i>Total Expenditures</i>	<u>23,245</u>	<u>23,175</u>	<u>70</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>756</u>	<u>(2,105)</u>	<u>(2,861)</u>
Other Financing Sources (Uses)			
Advances In	0	3,000	3,000
Advances Out	(6,533)	(6,533)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,533)</u>	<u>(3,533)</u>	<u>3,000</u>
<i>Net Change in Fund Balance</i>	(5,777)	(5,638)	139
<i>Fund Balance Beginning of Year</i>	<u>6,533</u>	<u>6,533</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 756</u>	<u>\$ 895</u>	<u>\$ 139</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 2,464,721	\$ 2,289,721	\$ (175,000)
Expenditures			
Current:			
Instruction:			
Special	1,338,906	1,334,295	4,611
Student Intervention Services	297,381	295,232	2,149
Support Services:			
Pupils	443,639	423,707	19,932
Instructional Staff	273,105	269,274	3,831
Administration	63,530	60,792	2,738
Pupil Transportation	1,353	1,353	0
Operation of Non-Instructional Services:			
Community Services	49,106	47,218	1,888
<i>Total Expenditures</i>	<u>2,467,020</u>	<u>2,431,871</u>	<u>35,149</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,299)</u>	<u>(142,150)</u>	<u>(139,851)</u>
Other Financing Sources (Uses)			
Advances In	0	175,000	175,000
Advances Out	(754,208)	(754,208)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(754,208)</u>	<u>(579,208)</u>	<u>175,000</u>
<i>Net Change in Fund Balance</i>	(756,507)	(721,358)	35,149
<i>Fund Balance Beginning of Year</i>	759,869	759,869	0
Prior Year Encumbrances Appropriated	3,686	3,686	0
<i>Fund Balance End of Year</i>	<u>\$ 7,048</u>	<u>\$ 42,197</u>	<u>\$ 35,149</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 47,850	\$ 43,850	\$ (4,000)
Expenditures			
Current:			
Instruction:			
Special	46,424	45,974	450
Support Services:			
Instructional Staff	840	830	10
<i>Total Expenditures</i>	<u>47,264</u>	<u>46,804</u>	<u>460</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>586</u>	<u>(2,954)</u>	<u>(3,540)</u>
Other Financing Sources (Uses)			
Advances In	0	4,000	4,000
Advances Out	(9,609)	(9,609)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(9,609)</u>	<u>(5,609)</u>	<u>4,000</u>
<i>Net Change in Fund Balance</i>	(9,023)	(8,563)	460
<i>Fund Balance Beginning of Year</i>	<u>9,704</u>	<u>9,704</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 681</u>	<u>\$ 1,141</u>	<u>\$ 460</u>

Elyria City School District
Lorain County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 367,850	\$ 327,948	\$ (39,902)
Miscellaneous	150	150	0
<i>Total Revenues</i>	<u>368,000</u>	<u>328,098</u>	<u>(39,902)</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff	282,232	277,908	4,324
Operation of Non-Instructional Services:			
Community Services	68,987	68,987	0
<i>Total Expenditures</i>	<u>351,219</u>	<u>346,895</u>	<u>4,324</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>16,781</u>	<u>(18,797)</u>	<u>(35,578)</u>
Other Financing Sources (Uses)			
Advances In	0	40,000	40,000
Advances Out	(270,761)	(270,761)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(270,761)</u>	<u>(230,761)</u>	<u>40,000</u>
<i>Net Change in Fund Balance</i>	(253,980)	(249,558)	4,422
<i>Fund Balance Beginning of Year</i>	227,714	227,714	0
Prior Year Encumbrances Appropriated	27,332	27,332	0
<i>Fund Balance End of Year</i>	<u>\$ 1,066</u>	<u>\$ 5,488</u>	<u>\$ 4,422</u>

Elyria City School District
Lorain County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 35,395	\$ 25,395	\$ (10,000)
Expenditures			
Current:			
Instruction:			
Regular	25,202	25,155	47
Support Services:			
Pupil Transportation	5,000	5,000	0
Operation of Non-Instructional Services:			
Community Services	2,601	2,574	27
<i>Total Expenditures</i>	<u>32,803</u>	<u>32,729</u>	<u>74</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,592</u>	<u>(7,334)</u>	<u>(9,926)</u>
Other Financing Sources (Uses)			
Advances In	<u>0</u>	<u>10,000</u>	<u>10,000</u>
<i>Net Change in Fund Balance</i>	2,592	2,666	74
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,592</u>	<u>\$ 2,666</u>	<u>\$ 74</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$ 5,672,476	\$ 5,595,460	\$ (77,016)
Intergovernmental	306,767	451,289	144,522
<i>Total Revenues</i>	<u>5,979,243</u>	<u>6,046,749</u>	<u>67,506</u>
Expenditures			
Current:			
Support Services:			
Fiscal	114,055	113,372	683
Debt Service:			
Principal Retirement	2,700,000	2,700,000	0
Interest and Fiscal Charges	3,869,456	3,869,456	0
<i>Total Expenditures</i>	<u>6,683,511</u>	<u>6,682,828</u>	<u>683</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(704,268)</u>	<u>(636,079)</u>	<u>68,189</u>
<i>Net Change in Fund Balance</i>	(704,268)	(636,079)	68,189
<i>Fund Balance Beginning of Year</i>	<u>4,674,222</u>	<u>4,674,222</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,969,954</u>	<u>\$ 4,038,143</u>	<u>\$ 68,189</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 11,800,000	\$ 15,524,337	\$ 3,724,337
Investment Income	465,000	561,073	96,073
<i>Total Revenues</i>	<u>12,265,000</u>	<u>16,085,410</u>	<u>3,820,410</u>
Expenditures			
Capital Outlay	39,308,153	11,542,602	27,765,551
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(27,043,153)</u>	<u>4,542,808</u>	<u>31,585,961</u>
<i>Net Change in Fund Balance</i>	(27,043,153)	4,542,808	31,585,961
<i>Fund Balance Beginning of Year</i>	39,341,772	39,341,772	0
Prior Year Encumbrances Appropriated	<u>8,153</u>	<u>8,153</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 12,306,772</u>	<u>\$ 43,892,733</u>	<u>\$ 31,585,961</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 0	\$ 131,026	\$ 131,026
Contributions and Donations	7,000	7,000	0
Miscellaneous	0	338	338
<i>Total Revenues</i>	<u>7,000</u>	<u>138,364</u>	<u>131,364</u>
Expenditures			
Current:			
Support Services:			
Administration	30,000	0	30,000
Operation and Maintenance of Plant	34,500	30,362	4,138
Capital Outlay	125,801	0	125,801
<i>Total Expenditures</i>	<u>190,301</u>	<u>30,362</u>	<u>159,939</u>
<i>Net Change in Fund Balance</i>	(183,301)	108,002	291,303
<i>Fund Balance Beginning of Year</i>	680,788	680,788	0
Prior Year Encumbrances Appropriated	<u>30,301</u>	<u>30,301</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 527,788</u>	<u>\$ 819,091</u>	<u>\$ 291,303</u>

Elyria City School District
Lorain County, Ohio
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Investment Income	\$ 270,000	\$ 305,009	\$ 35,009
Expenditures			
Capital Outlay	12,991,052	12,694,970	296,082
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,721,052)</u>	<u>(12,389,961)</u>	<u>331,091</u>
Other Financing Sources (Uses)			
Transfers In	2,200,000	2,200,000	0
<i>Net Change in Fund Balance</i>	(10,521,052)	(10,189,961)	331,091
<i>Fund Balance Beginning of Year</i>	23,325,117	23,325,117	0
Prior Year Encumbrances Appropriated	8,900	8,900	0
<i>Fund Balance End of Year</i>	<u>\$ 12,812,965</u>	<u>\$ 13,144,056</u>	<u>\$ 331,091</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
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Sales	\$ 507,768	\$ 444,138	\$ (63,630)
Operating Expenses			
Salaries	766,879	766,869	10
Fringe Benefits	395,191	395,173	18
Purchased Services	1,998,938	1,998,918	20
Materials and Supplies	300	301	(1)
<i>Total Operating Expenses</i>	<u>3,161,308</u>	<u>3,161,261</u>	<u>47</u>
<i>Operating Loss</i>	<u>(2,653,540)</u>	<u>(2,717,123)</u>	<u>(63,583)</u>
Non-Operating Revenues			
Intergovernmental	<u>2,638,283</u>	<u>2,708,075</u>	<u>69,792</u>
<i>Net Change in Fund Equity</i>	(15,257)	(9,048)	6,209
<i>Fund Equity Beginning of Year</i>	15,961	15,961	0
Prior Year Encumbrances Appropriated	<u>113</u>	<u>113</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 817</u>	<u>\$ 7,026</u>	<u>\$ 6,209</u>

Elyria City School District
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Charges for Services	\$ 7,913,328	\$ 9,753,555	\$ 1,840,227
Operating Expenses			
Salaries	58,326	56,840	1,486
Fringe Benefits	24,171	23,218	953
Purchased Services	560,000	571,771	(11,771)
Claims	8,376,000	7,839,900	536,100
Other	485,100	482,773	2,327
<i>Total Operating Expenses</i>	<u>9,503,597</u>	<u>8,974,502</u>	<u>529,095</u>
<i>Operating Income (Loss)</i>	<u>(1,590,269)</u>	<u>779,053</u>	<u>2,369,322</u>
Non-Operating Revenues			
Interest	21,769	26,549	4,780
<i>Net Change in Fund Equity</i>	(1,568,500)	805,602	2,374,102
<i>Fund Equity Beginning of Year</i>	<u>1,778,745</u>	<u>1,778,745</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$ 210,245</u>	<u>\$ 2,584,347</u>	<u>\$ 2,374,102</u>

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

Combining Statement of Changes in Assets and Liabilities – Agency Funds

ELYRIA CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES AND COMBINING STATEMENT

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

District Management Fund – This fund accounts for those assets held by the School District as an agent for individuals, private organization, and other governmental units.

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
Lorain County, Ohio
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, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues			
Gifts and Contributions	\$ 35,154	\$ 39,671	\$ 4,517
Interest	391	1,246	855
Miscellaneous	4,899	4,911	12
<i>Total Operating Revenues</i>	<u>40,444</u>	<u>45,828</u>	<u>5,384</u>
Operating Expenses			
Payments in Accordance with Trust Agreements	101,514	98,814	2,700
<i>Net Change in Fund Equity</i>	(61,070)	(52,986)	8,084
<i>Fund Equity Beginning of Year</i>	442,367	442,367	0
Prior Year Encumbrances Appropriated	47,250	47,250	0
<i>Fund Equity End of Year</i>	<u>\$ 428,547</u>	<u>\$ 436,631</u>	<u>\$ 8,084</u>

Elyria City School District
Lorain County, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</u>
District Management				
Assets				
Equity in Pooled Cash and Investments	\$ 13,302	\$ 10,431	\$ 12,340	\$ 11,393
Liabilities				
Due to Students	\$ 13,302	\$ 0	\$ 1,909	\$ 11,393
Student Managed Activities				
Assets				
Equity in Pooled Cash and Investments	\$ 206,299	\$ 390,792	\$ 381,310	\$ 215,781
Liabilities				
Accounts Payable	\$ 0	\$ 6,821	\$ 0	\$ 6,821
Due to Students	206,299	2,661	0	208,960
Total Liabilities	\$ 206,299	\$ 9,482	\$ 0	\$ 215,781
Totals				
Assets				
Equity in Pooled Cash and Investments	\$ 219,601	\$ 401,223	\$ 393,650	\$ 227,174
Liabilities				
Accounts Payable	\$ 0	\$ 6,821	\$ 0	\$ 6,821
Due to Students	219,601	2,661	1,909	220,353
Total Liabilities	\$ 219,601	\$ 9,482	\$ 1,909	\$ 227,174

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	S2-S6
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source.	S7-S10
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S11-S13
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S14-S15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S16-S26

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

With the implementation of GASB No. 75 in fiscal year 2018, the calculation of OPEB expense has changed, however, government-wide expenses for 2017 and prior fiscal years were not restated to reflect this change. Similarly, with the implementation of GASB No. 68 in fiscal year 2015, the calculation of pension expense changed; however, government-wide expenses for 2014 and prior fiscal years were not restated to reflect this change.

Elyria City School District
Lorain County, Ohio
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
Net Investment in Capital Assets	\$ 10,536,311	\$ 22,043,153	\$ 23,559,166	\$ 27,873,333	\$ 26,894,482	\$ 24,888,459	\$ 23,006,413	\$ 22,435,364	\$ 22,007,088	\$ 25,229,087
Restricted for:										
Capital Projects	19,750,648	11,084,930	4,734,602	1,464,027	1,006,832	659,253	1,972,561	832,923	71,145,753	85,617,976
Debt Service	969,281	923,062	1,077,092	1,302,341	1,398,558	1,624,216	2,173,458	2,079,936	15,214,728	2,379,250
Set Asides	137,471	444,812	687,692	0	0	0	0	0	0	0
Other Purposes	649,943	46,683	550,659	1,259,908	1,316,499	2,574,118	2,297,002	2,056,659	1,975,341	1,970,281
State Funded Programs	418,792	257,826	138,845	218,904	161,770	180,901	155,505	289,487	115,306	220,532
Federal Funded Programs	686,350	1,042,527	1,765,686	979,548	597,390	508,938	524,208	693,161	762,967	1,167,858
Student Activities	241,952	218,865	205,720	157,467	170,020	160,002	114,262	102,504	57,718	45,316
Unrestricted (Deficit)	(6,239,373)	(5,526,710)	(704,872)	(292,668)	211,059	(94,251,508)	(84,965,926)	(77,211,834)	(104,201,127)	(63,280,346)
Total Governmental Activities Net Position	27,151,375	30,535,148	32,014,590	32,962,860	31,756,610	(63,655,621)	(54,722,517)	(48,721,800)	7,077,774	53,349,954
Business-type Activities:										
Net Investment in Capital Assets	71,484	121,836	94,230	632,625	595,286	522,882	452,595	384,004	300,730	236,334
Unrestricted (Deficit)	50,752	148,772	78,292	108,963	50,891	(1,580,889)	(1,534,357)	(1,664,261)	(2,734,907)	(2,730,580)
Total Business-type Activities Net Position	122,236	270,608	172,522	741,588	646,177	(1,058,007)	(1,101,762)	(1,280,257)	(2,434,177)	(2,494,246)
Primary Government:										
Net Investment in Capital Assets	10,607,795	22,164,989	23,653,396	28,505,958	27,489,768	25,411,341	23,459,008	22,819,368	22,307,818	25,465,421
Restricted	22,854,437	14,018,705	9,160,296	5,382,195	4,651,069	5,707,428	7,236,996	6,054,670	89,271,813	91,401,213
Unrestricted (Deficit)	(6,188,621)	(5,377,938)	(626,580)	(183,705)	261,950	(95,832,397)	(86,520,283)	(78,876,095)	(106,936,034)	(66,010,926)
Total Primary Government Net Position	\$ 27,273,611	\$ 30,805,756	\$ 32,187,112	\$ 33,704,448	\$ 32,402,787	\$ (64,713,628)	\$ (55,824,279)	\$ (50,002,057)	\$ 4,643,597	\$ 50,855,708

Source: School District financial records

**Elyria City School District
Lorain County, Ohio**
*Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
Regular Instruction	\$ 29,986,308	\$ 30,677,977	\$ 29,324,385	\$ 31,525,685	\$ 29,742,158	\$ 28,202,974	\$ 28,009,644	\$ 29,497,294	\$ 31,719,549	\$ 8,564,742
Special Instruction	10,744,900	11,232,236	11,056,358	9,971,233	10,263,748	12,458,036	12,381,000	12,300,324	14,925,258	7,658,111
Vocational Instruction	227,995	223,734	230,941	271,168	210,958	182,246	150,406	152,651	94,640	94,811
Adult Instruction	73,475	90,580	0	0	0	0	0	0	0	0
Student Intervention Services	675,918	362,338	295,731	391,685	313,019	268,804	234,362	184,855	146,171	298,535
Other Instruction	6,673,943	7,402,117	8,120,803	9,297,276	10,677,875	10,119,924	10,349,157	10,623,087	10,724,645	9,823,176
Pupil Support	4,185,131	4,320,730	4,351,555	4,008,503	4,204,449	4,066,444	4,252,218	4,607,976	5,055,880	2,019,457
Instructional Staff Support	5,144,944	5,210,569	5,033,837	4,596,716	3,905,652	2,054,090	2,686,171	2,792,554	3,024,624	1,682,490
Board of Education	104,943	117,662	0	38,553	49,142	65,861	79,604	139,655	78,967	81,140
Administration	5,002,750	4,698,220	5,274,119	5,134,013	4,692,880	4,729,242	4,399,240	4,924,229	5,380,981	2,517,769
Fiscal	1,730,692	1,738,975	1,803,790	1,694,615	1,561,203	1,763,803	1,271,020	1,255,993	1,327,766	1,377,519
Business	664,862	624,956	620,316	616,011	660,481	805,054	726,514	734,073	731,318	638,359
Operation and Maintenance of Plant	7,833,498	5,869,301	6,538,866	6,185,693	6,986,114	6,710,271	6,652,101	6,179,228	6,580,557	5,625,460
Pupil Transportation	3,198,960	3,263,970	3,118,652	3,818,599	3,503,997	3,481,658	3,361,523	3,381,356	2,816,015	3,794,809
Central	1,364,039	1,316,634	1,476,442	1,538,268	1,533,966	1,837,363	1,970,716	1,951,387	1,110,812	856,060
Operation of Non-Instructional Services	1,760,690	1,434,159	1,838,111	1,608,596	1,837,363	1,837,308	1,970,716	1,951,387	2,319,011	1,520,985
Extracurricular Activities	1,425,979	1,320,365	1,253,432	1,436,361	1,793,238	1,722,392	1,679,502	1,796,847	1,899,637	901,397
Interest and Fiscal Changes	2,503,678	2,575,662	2,473,375	2,469,247	2,481,366	2,568,603	2,226,037	1,667,085	2,713,246	4,109,191
Total Governmental Activities Expenses	83,302,705	82,520,185	82,810,713	84,602,222	84,417,609	81,712,642	81,326,672	83,167,714	90,649,077	51,564,011
Business-type Activities:										
Food Service Operations	3,253,678	2,898,273	3,054,910	2,949,942	3,435,979	3,448,062	3,139,526	3,314,040	3,577,305	3,316,499
	3,253,678	2,898,273	3,054,910	2,949,942	3,435,979	3,448,062	3,139,526	3,314,040	3,577,305	3,316,499
Total Primary Government Expenses	86,556,383	85,418,458	85,865,623	87,552,164	87,853,588	85,160,704	84,466,198	86,481,754	94,226,382	54,880,510
Program Revenues										
Governmental Activities:										
Charges for Services										
Regular Instruction	1,793,026	1,405,561	1,390,222	1,311,238	1,187,803	1,053,435	1,471,127	1,740,624	1,660,166	1,807,440
Special Instruction	0	258,583	278,720	342,019	420,691	77,207	453,148	183,362	662,442	1,182,863
Vocational Instruction	0	0	0	0	0	0	0	12,415	0	0
Other Instruction	0	0	0	0	0	77,950	0	0	0	0
Instructional Staff	0	0	0	0	11	0	0	0	0	256
Administration	0	0	0	0	0	0	0	0	0	172
Operation and Maintenance of Plant	76,178	87,314	75,966	0	0	0	0	0	0	26
Pupil Transportation	0	0	0	0	235	0	0	0	0	0
Central	0	0	0	442	0	13,935	13,503	30,363	1,760	3,376
Operation of Non-Instructional Services	0	0	0	0	0	259,551	236,973	259,233	191,123	179,371
Extracurricular Activities	304,238	328,811	260,053	309,156	331,116	259,551	236,973	259,233	191,123	179,371
Operating Grants and Contributions	181,970	327,391	936,962	310,180	434,371	145,835	100,310	184,932	185,517	467,718
Regular Instruction	5,924,836	3,656,735	3,174,684	1,905,714	2,811,211	8,733,394	7,162,556	7,936,120	7,692,734	7,053,796
Special Instruction	225,370	115,586	116,453	0	0	130,774	76,361	124,435	115,603	121,473
Vocational Instruction	69,320	0	0	0	0	0	0	0	0	0
Adult Instruction	0	0	0	0	0	0	0	0	0	0
Student Intervention Services	0	0	0	0	0	0	250,973	0	137,247	288,700
Other Instruction	0	0	0	0	0	0	52,438	158,603	3,053	1,313
Pupil Support	649,578	429,201	1,169,532	570,483	0	650,106	934,840	920,572	792,699	861,961
Instructional Staff Support	2,638,976	3,520,094	2,889,018	2,480,001	2,175,184	476,426	668,184	585,632	591,940	549,979
Administration	402,762	156,897	907,706	0	170,185	105,799	282,456	309,001	406,857	337,366
Fiscal	0	109,022	51,028	458,031	0	0	0	0	0	0
Business	0	0	0	0	39,991	0	0	0	0	0
Operation and Maintenance of Plant	584,371	0	0	221,861	130,231	104,276	27,468	50,656	51,210	76,585

(continued)

Elyria City School District
Lorain County, Ohio
Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Pupil Transportation	\$ 115,712	\$ 18,525	\$ 95,841	\$ 113,865	\$ 0	\$ 0	\$ 318,880	\$ 355,719	\$ 395,740	\$ 326,769
Central	108,422	56,778	98,559	25,200	21,600	0	0	0	0	0
Operation of Non-Instructional Services	1,175,869	988,682	1,092,124	978,108	1,020,652	1,053,331	1,245,120	1,362,490	1,361,946	1,448,815
Extracurricular Activities	41,298	43,613	21,639	112,021	19,122	31,672	14,717	57,793	6,736	14,627
Capital Grants and Contributions	0	0	76,326	0	0	0	0	0	0	0
Regular Instruction	57,294	0	0	0	0	0	0	0	0	0
Fiscal	1,377,210	1,745,879	237,058	237,913	0	0	53,104	23,286	22,276	131,026
Operation and Maintenance of Plant	42,413	0	0	0	0	0	0	0	0	0
Pupil Transportation	15,768,843	13,248,672	12,871,891	9,376,232	8,762,403	12,912,691	13,371,332	14,314,435	14,279,049	14,853,632
Total Governmental Activities Program Revenues										
Business-type Activities:										
Charges for Services	3,116,049	647,176	627,723	686,628	486,121	555,387	430,514	448,993	467,783	441,471
Food Service Operations	0	2,399,357	2,334,647	2,248,489	2,854,321	2,726,489	2,665,185	2,686,147	2,828,944	2,814,959
Operating Grants and Contributions	3,116,049	3,046,533	2,962,370	2,935,117	3,340,442	3,281,876	3,095,699	3,135,140	3,296,727	3,256,430
Total Business-type Activities Program Revenues										
Total Primary Government Program Revenues	18,884,892	16,295,205	15,834,261	12,311,349	12,102,845	16,194,567	16,467,031	17,449,575	17,575,776	18,110,062
Net (Expense)/Revenue	(67,533,862)	(69,271,513)	(69,938,822)	(75,225,990)	(75,655,206)	(68,799,951)	(67,955,340)	(68,853,279)	(76,370,028)	(36,710,379)
Governmental Activities	(137,629)	148,260	(92,540)	(14,825)	(95,537)	(166,186)	(43,827)	(178,900)	(280,578)	(60,069)
Business-type Activities	(67,671,491)	(69,123,253)	(70,031,362)	(75,240,815)	(75,750,743)	(68,966,137)	(67,999,167)	(69,032,179)	(76,650,606)	(36,770,448)
Total Primary Government Net (Expense)/Revenue										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	26,727,846	25,298,002	29,145,296	30,745,255	29,568,266	30,076,118	30,162,868	30,783,650	29,188,912	34,539,211
Debt Service	2,398,152	2,456,971	2,610,859	2,596,719	2,564,098	2,641,599	2,584,814	2,541,688	4,279,787	6,529,180
Other Purposes	408,269	412,893	401,634	582,548	356,926	351,434	323,864	356,751	341,158	431,137
Grants and Entitlements not Restricted to Specific Programs	38,831,619	43,594,198	44,165,628	42,170,409	41,694,839	40,800,898	43,114,453	41,204,438	41,461,618	40,207,103
OFCC Project	0	0	0	0	0	0	0	0	79,868,962	0
Investment Earnings	244,585	86,613	52,585	48,133	32,723	35,071	120,243	334,488	324,668	698,491
Miscellaneous	879,005	806,609	580,702	445,122	216,780	543,333	582,202	212,026	777,314	577,437
Gain from Sale of Capital Assets	0	0	861,343	169,913	15,324	0	0	0	0	0
Transfers	0	0	0	(583,839)	0	0	0	0	0	0
Total Governmental Activities	69,489,476	72,655,286	77,818,047	76,174,260	74,448,956	74,448,453	76,888,444	75,433,041	156,242,419	82,982,559
Business-type Activities:										
Investment Earnings	565	112	144	52	126	45	72	405	0	0
Transfers	0	0	0	583,839	0	0	0	0	0	0
Total Business-type Activities	565	112	144	583,891	126	45	72	405	0	0
Total Primary Government	69,490,041	72,655,398	77,818,191	76,758,151	74,449,082	74,448,498	76,888,516	75,433,446	156,242,419	82,982,559
Special and Extraordinary Item										
Governmental Activities:										
Special Item	0	0	0	0	0	0	0	(579,045)	0	0
Change in Net Position	1,955,614	3,383,773	7,879,225	948,270	(1,206,250)	5,648,502	8,933,104	6,000,717	79,872,391	46,272,180
Governmental Activities	(137,064)	148,372	(92,396)	569,066	(95,411)	(166,141)	(43,755)	(178,495)	(280,578)	(60,069)
Business-type Activities	1,818,550	3,532,145	7,786,829	1,517,336	(1,301,661)	5,482,361	8,889,349	5,822,222	79,591,813	46,212,111
Total Primary Government Change in Net Position										

Source: School District financial records

Elyria City School District
Lorain County, Ohio
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
			Restated							
			2011							
General Fund										
Nonspendable	N/A	N/A	\$ 5,391	\$ 5,349	\$ 5,623	\$ 5,944	\$ 5,944	\$ 0	\$ 82,725	\$ 146,099
Committed	N/A	N/A	685,877	0	0	0	546,387	98,581	55,107	217,059
Assigned	N/A	N/A	1,651,309	1,304,033	1,572,045	1,468,151	1,999,171	1,931,826	5,169,787	9,384,859
Unassigned	N/A	N/A	1,314,738	2,750,651	199,248	5,847,405	11,570,935	19,525,704	17,708,027	17,312,565
Reserved	\$ 2,142,769	\$ 2,961,606	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved	(3,682,599)	(3,112,204)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>Total General Fund</i>	(1,539,830)	(150,598)	3,657,315	4,060,033	1,776,916	7,321,500	14,122,437	21,556,111	23,015,646	27,060,582
All Other Governmental Funds										
Restricted	N/A	N/A	10,614,054	4,590,105	4,160,003	4,115,353	5,752,043	4,573,053	70,292,623	77,627,832
Unassigned	N/A	N/A	(123,875)	(1,757,300)	(302,919)	(561,100)	(337,280)	(670,804)	(718,274)	(329,090)
Reserved	36,636,916	25,215,613	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	756,444	170,086	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service Fund	829,503	936,109	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capital Projects Funds	16,718,713	919,240	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Other Governmental Funds	54,941,576	27,241,048	10,490,179	2,832,805	3,857,084	3,554,253	5,414,763	3,902,249	69,574,349	77,298,742
<i>Total Governmental Funds</i>	\$ 53,401,746	\$ 27,090,450	\$ 14,147,494	\$ 6,892,838	\$ 5,634,000	\$ 10,875,753	\$ 19,537,200	\$ 25,458,360	\$ 92,589,995	\$ 104,359,324

Source: School District financial records

Note: Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting was implemented July 1, 2010. Table reflects that only for fiscal year 2011. Prior fiscal years were not reclassified.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property and Other Local Taxes	\$ 29,165,954	\$ 29,384,209	\$ 32,065,632	\$ 32,845,379	\$ 31,833,669	\$ 32,433,971	\$ 32,483,879	\$ 33,896,010	\$ 34,479,225	\$ 41,749,833
Intergovernmental	68,328,944	52,907,884	54,617,582	49,863,633	48,446,865	50,095,171	54,539,893	52,404,942	52,911,402	67,171,652
Interest	1,504,388	540,613	136,125	59,470	36,203	34,909	119,495	341,295	324,668	710,342
Tuition and Fees	1,488,391	1,681,792	1,591,906	1,625,513	1,602,354	1,301,480	1,778,415	2,117,619	2,463,804	2,976,987
Extracurricular Activities	304,241	328,813	260,053	309,600	329,864	261,251	235,841	259,196	208,983	196,517
Gifts and Donations	828,639	1,833,837	450,744	609,950	327,696	476,112	428,327	399,689	323,889	345,029
Rent		76,178	75,965	38,344	24,150	29,465	40,804	56,371	17,283	16,815
Charges for Services	0	0	0	0	0	403	1,124	0	0	0
Miscellaneous	882,518	794,580	592,730	343,807	138,266	447,906	692,590	143,944	635,850	566,063
Total Revenues	102,579,253	87,559,042	89,790,737	85,695,696	82,736,067	85,890,668	90,320,368	89,619,066	91,365,104	113,733,238
Expenditures										
Current:										
Instruction:										
Regular	29,960,875	30,998,387	29,863,714	30,509,139	29,316,237	27,433,547	27,571,838	28,137,875	29,178,887	30,686,417
Special	10,408,188	11,307,386	11,054,715	9,939,700	10,191,730	12,349,247	12,725,474	12,223,406	14,246,101	13,641,301
Vocational	226,607	224,799	234,433	266,684	212,032	193,345	158,745	153,218	90,661	96,031
Adult	72,801	88,477	0	0	0	0	0	0	0	0
Student Intervention Services	675,918	362,338	295,731	392,256	306,469	274,783	245,224	184,855	146,553	298,535
Other	6,676,199	7,379,141	8,172,429	9,296,003	10,694,827	10,119,924	10,349,157	10,626,438	10,742,042	10,189,200
Support Services:										
Pupils	4,082,001	4,310,813	4,375,148	4,014,413	4,122,265	4,001,583	4,279,534	4,516,260	4,632,743	5,007,570
Instructional Staff	4,937,837	5,115,977	5,163,013	4,640,037	3,944,319	2,090,857	2,759,118	2,774,849	2,869,624	2,523,495
Board of Education	104,943	117,662	0	38,553	49,142	65,861	80,613	139,703	77,833	81,140
Administration	4,759,736	4,741,611	5,130,180	5,089,614	4,661,567	4,667,187	4,434,447	4,841,896	4,938,407	5,206,023
Fiscal	1,714,090	1,749,974	1,756,369	1,769,610	1,553,011	1,785,225	1,297,124	1,262,697	1,296,304	1,466,298
Business	646,906	630,910	620,267	658,010	658,010	808,107	724,193	732,627	699,794	702,916
Operation and Maintenance of Plant	6,869,330	5,494,533	6,160,275	5,506,948	6,071,696	5,580,440	6,355,877	6,402,608	5,446,899	5,333,530
Pupil Transportation	3,198,960	3,263,970	3,118,652	3,818,599	3,503,997	3,481,658	3,361,523	3,381,356	2,823,372	3,795,196
Central	1,326,184	1,294,594	1,453,842	1,550,833	1,507,988	767,211	860,075	925,517	1,033,679	967,900
Operation of Non-Instructional Services	1,847,686	1,467,175	1,824,142	1,583,272	1,807,453	1,851,959	1,987,631	1,956,607	2,273,785	1,956,688
Extracurricular Activities	1,404,073	1,259,578	1,223,816	1,400,782	1,305,291	1,243,955	1,221,780	1,320,826	1,312,242	1,355,696
Capital Outlay	12,501,387	30,503,669	19,876,585	9,305,610	706,770	407,850	278,276	40,540	386,747	11,454,300
Debt Service:										
Principal Retirement	759,594	1,150,874	1,144,683	1,169,276	1,215,153	791,539	761,350	1,379,502	1,920,500	3,274,940
Interest and Fiscal Charges	2,362,890	2,320,498	2,273,834	2,228,597	2,182,272	2,734,637	2,440,304	2,171,719	1,930,224	3,926,733
Total Expenditures	94,536,205	113,782,366	103,741,828	93,141,214	84,010,229	80,648,915	81,892,273	83,172,499	86,641,037	101,963,909
Excess of Revenues Over (Under) Expenditures	8,043,048	(26,223,324)	(13,951,091)	(7,445,518)	(1,274,162)	5,241,753	8,438,095	6,446,567	4,724,067	11,769,329
Other Financing Sources (Uses)										
Proceeds from Sale of Capital Assets	2,328	12,028	1,034,795	190,862	15,324	0	0	53,638	0	0
Refunding Bonds Issued	0	0	0	0	0	0	40,443,776	0	0	0
Premium on Refunding Bonds Issued	0	0	0	0	0	0	4,912,293	0	0	0
Discount on Refunding Bonds Issued	0	0	0	0	0	0	(131,906)	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0	(44,990,811)	0	0	0
Bonds Issued	0	0	0	0	0	0	0	0	59,385,000	0
Premium on Bonds Issued	0	0	0	0	0	0	0	0	3,488,953	0
Discount on Bonds Issued	0	0	0	0	0	0	0	0	(466,385)	0
Transfers In	4,376,275	2,789,215	0	770,491	1,145,619	4,619	750,000	1,664,452	42,138,444	2,236,000
Transfers Out	(6,076,275)	(2,889,215)	(0)	(770,491)	(1,145,619)	(4,619)	(750,000)	(1,664,452)	(42,138,444)	(2,236,000)
Total Other Financing Sources (Uses)	(1,697,672)	(87,972)	1,034,795	190,862	15,324	(4,619)	233,352	53,638	62,407,568	0
Special and Extraordinary Items										
Special Item	0	0	0	0	0	0	0	(579,045)	0	0
Net Change in Fund Balances	\$ 6,345,376	\$ (26,311,296)	\$ (12,916,296)	\$ (7,254,656)	\$ (1,258,838)	\$ 5,241,753	\$ 8,661,447	\$ 5,921,160	\$ 67,131,635	\$ 11,769,329
Debt Service as a Percentage of Noncapital Expenditures	3.80%	4.17%	4.08%	4.02%	4.08%	4.39%	3.95%	4.33%	4.50%	7.99%

Source: School District financial records

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

Collection Year	Real Property		Tangible Personal Property						Weighted Average Tax Rate	
	Assessed Value		Public Utility		General Business		Total			
	Residential/Agricultural	Commercial/Industrial/PU	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2009	\$ 648,708,757	\$ 277,354,880	\$ 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	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	21,583,770	24,527,011	0	0	884,243,820	2,489,270,012	35.52%	69.58
2012	588,891,670	266,048,900	23,047,630	26,190,489	0	0	877,988,200	2,468,877,832	35.56%	69.73
2013	532,263,910	252,914,910	25,282,660	28,730,295	0	0	810,461,480	2,272,098,354	35.67%	71.35
2014	531,420,210	255,386,430	28,030,950	31,853,352	0	0	814,837,590	2,279,872,325	35.74%	71.47
2015	529,885,380	249,617,690	29,710,000	33,761,364	0	0	809,213,070	2,260,912,993	35.79%	71.81
2016	524,038,910	247,812,680	31,456,810	35,746,375	0	0	803,308,400	2,241,036,633	35.85%	72.28
2017	523,737,760	243,779,700	35,260,090	40,068,284	0	0	802,777,550	2,232,975,314	35.95%	76.27
2018	525,322,890	246,342,710	37,890,370	43,057,239	0	0	809,555,970	2,247,816,097	36.02%	75.64

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

The assessed value of real property (including public utility real property) is 35% of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment. General business inventory tangible personal property tax was phased out beginning in 2006. The listing percentage is 6.25% for 2008 and zero thereafter.

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
Lorain County, Ohio
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		Permanent Improvement	Unvoted	Total	City of Elyria Levy	Lorain County Levy	JVS	Lorain Library District		
	General	Bond									
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	
2012	61.75	3.28	0.50	4.20	69.73	6.10	13.69	2.45	0.00	91.97	
2013	62.97	3.68	0.50	4.20	71.35	6.10	13.66	2.45	0.00	93.56	
2014	63.08	3.69	0.50	4.20	71.47	6.10	14.48	2.45	0.00	94.50	
2015	63.46	3.65	0.50	4.20	71.81	6.10	14.48	2.45	0.00	94.84	
2016	64.01	3.57	0.50	4.20	72.28	6.10	15.08	2.45	0.00	95.91	
2017	64.13	7.44	0.50	4.20	76.27	6.10	15.08	2.45	0.00	99.90	
2018	63.53	7.41	0.50	4.20	75.64	7.00	15.08	2.45	0.00	100.17	

Source: Office of the County Auditor, Lorain County, Ohio 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
Lorain County, Ohio
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
2008	\$ 40,461,300	\$ 34,611,161	85.54%	\$ 1,990,356	\$ 36,601,517	90.46%	\$ 2,539,078
2009	40,195,642	32,795,811	81.59%	N/A	32,795,811	81.59%	1,322,735
2010	44,020,312	34,488,624	78.35%	N/A	34,488,624	78.35%	1,414,892
2011	36,229,673	36,351,671	100.34%	N/A	36,351,671	100.34%	2,281,214
2012	36,006,287	36,126,868	100.33%	N/A	36,126,868	100.33%	2,936,835
2013	37,477,669	36,389,911	97.10%	N/A	36,389,911	97.10%	3,362,016
2014	37,740,108	36,496,071	96.70%	N/A	36,496,071	96.70%	3,949,683
2015	38,014,456	37,497,028	98.64%	N/A	37,497,028	98.64%	3,735,762
2016	41,398,348	40,151,890	96.99%	N/A	40,151,890	96.99%	3,066,394
2017	41,398,348	40,900,931	98.80%	N/A	40,900,931	98.80%	2,816,089

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 2018 information cannot be presented because all collections have not been made by June 30, 2018.
- (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 percent of tax collections to current tax levy can exceed 100% in any particular year.

Elyria City School District
Lorain County, Ohio
Principal Taxpayers - Real Estate Tax
2017 and 2008
Amount in 000's

Name of Taxpayer	2017	
	Assessed Value (1)	Percent of Real Property Assessed Value
Ohio Edison Company-First Energy	\$ 21,333	2.76%
American Transmission Systems, Inc.	16,198	2.10%
Centro Midway LLC	9,308	1.21%
New Plan of Midway, Inc.	5,970	0.77%
Columbia Gas	5,452	0.71%
CHP Chestnut Commons	5,250	0.68%
Walmart Real Estate Business Trust	5,010	0.65%
Hunters Crossing Apartments	4,466	0.58%
Elyria Taylor LLC	4,051	0.52%
Elyria United Methodist Village	3,877	0.50%
Totals	<u>\$ 80,915</u>	<u>10.49%</u>
Total Real Assessed Valuation	<u>\$ 771,666</u>	
Name of Taxpayer	2008	
	Assessed Value (1)	Percent of Real Property Assessed Value
Centro Midway LLC	\$ 15,709	1.70%
Ohio Edison Co.	14,959	1.62%
New Plan of Midway, Inc.	7,940	0.86%
First Interstate	6,236	0.67%
Hunters Crossing	4,126	0.45%
HK New Plan Exchange	3,769	0.41%
Elyria United Methodist Village	3,416	0.37%
Invacare Corporation	3,372	0.36%
Midway Realty Company	3,278	0.35%
Dayton Hudson	3,116	0.34%
Totals	<u>\$ 65,921</u>	<u>7.13%</u>
Total Real Assessed Valuation	<u>\$ 926,116</u>	

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

Source: City of Elyria Comprehensive Annual Financial Report, for the year ended December 31, 2017

Elyria City School District
Lorain County, Ohio
Ratio of Net Bonded Debt to Estimated Actual Value and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value Property(2)	Net 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	Total Debt Primary Government	Ratio of General Debt to Estimated Actual Value		Percentage of Personal Income
						Ratio of Net Bonded Debt to Estimated Actual Value	Ratio of General Debt to Estimated Actual Value					
2009	54,947	\$ 2,645,896,106	\$ 51,600,107	\$ 969,281	\$ 50,630,826	1.91%	1.95%	\$ 921.45	\$ 51,600,107	1.95%	4.85%	
2010	55,953	2,480,100,729	50,611,856	923,062	49,688,794	2.00%	2.04%	888.05	50,611,856	2.04%	4.42%	
2011	55,953	2,464,743,000	49,667,741	1,077,092	48,590,649	1.97%	2.02%	868.42	49,667,741	2.02%	4.34%	
2012	54,581	2,442,687,343	48,746,510	1,302,341	47,444,169	1.94%	2.00%	869.24	48,746,510	2.00%	4.24%	
2013	54,086	2,243,368,057	47,831,462	1,398,558	46,432,904	2.07%	2.13%	858.50	47,831,462	2.13%	4.20%	
2014	53,956	2,248,018,971	46,736,810	1,624,216	45,112,594	2.01%	2.08%	836.10	46,736,810	2.08%	4.11%	
2015	53,972	2,227,151,629	49,838,162	2,173,458	47,664,704	2.14%	2.24%	883.14	49,838,162	2.24%	4.27%	
2016	53,775	2,205,290,257	47,767,784	2,079,936	45,687,848	2.07%	2.17%	849.61	47,767,784	2.17%	4.09%	
2017	53,715	2,192,907,029	108,239,551	15,214,728	93,024,823	4.24%	4.94%	1,731.82	108,239,551	4.94%	9.40%	
2018	53,883	2,204,758,857	104,938,266	2,379,250	102,559,016	4.65%	4.76%	1,903.36	104,938,266	4.76%	8.96%	

Sources:

- (1) U.S Bureau of Census, Census Population
 - (2) Office of the County Auditor, Lorain County, Ohio
- Note: Capital leases reported in the prior year were properly reclassified to Net General Bonded Debt for 2018 and prior years.

Elyria City School District
Lorain County, Ohio
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tax Valuation	\$ 926,063,637	\$ 868,035,255	\$ 862,660,050	\$ 854,940,570	\$ 785,178,820	\$ 786,806,640	\$ 779,503,070	\$ 771,851,590	\$ 767,517,460	\$ 771,665,600
Debt Limit - 9% of Taxable Valuation (1)	83,345,727	78,123,173	77,639,405	76,944,651	70,666,094	70,812,598	70,153,276	69,466,643	69,076,571	69,449,904
Amount of Debt Applicable to Debt Limit	51,600,107	50,611,856	49,667,741	48,746,510	47,831,462	46,736,810	49,838,162	47,767,784	100,616,844	97,341,904 *
General Obligation Bonds	0	0	0	0	0	0	0	0	(16,325,545)	(25,512,750)
Less: Exempt Indebtedness (2)	(969,281)	(923,062)	(1,077,092)	(1,302,341)	(1,398,558)	(1,624,216)	(2,173,458)	(2,079,936)	(15,214,728)	(2,379,250)
Less: Amount Available in Debt Service										
Amount of Debt Subject to Limit	\$ 50,630,826	\$ 49,688,794	\$ 48,590,649	\$ 47,444,169	\$ 46,432,904	\$ 45,112,594	\$ 47,664,704	\$ 45,687,848	\$ 69,076,571	\$ 69,449,904
Legal Debt Margin	\$ 32,714,901	\$ 28,434,379	\$ 29,048,756	\$ 29,500,482	\$ 24,233,190	\$ 25,700,004	\$ 22,490,572	\$ 23,778,795	\$ 0	\$ 0
Legal Debt Margin as a Percentage of Debt Limit	39.25%	36.40%	37.41%	38.34%	34.29%	36.29%	32.06%	34.23%	0.00%	0.00%
Unvoted Legal Debt Limit -										
.10% of Assessed Value (1)	\$ 926,064	\$ 868,035	\$ 862,660	\$ 854,941	\$ 785,179	\$ 786,807	\$ 779,503	\$ 771,852	\$ 767,517	\$ 771,666
Unvoted Debt Margin	\$ 926,064	\$ 868,035	\$ 862,660	\$ 854,941	\$ 785,179	\$ 786,807	\$ 779,503	\$ 771,852	\$ 767,517	\$ 771,666
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	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.

(2) Pursuant to Section 133.06(I) of the Revised Code, a school district may incur net indebtedness in excess of the 9% limitation when necessary to raise the school district's portion of the basic project cost and any additional funds necessary to participate in a project under Chapter 3318 of the Revised Code, including the cost of items designated by the Ohio Facilities Construction Commission as "required locally funded initiatives", the cost of other locally funded initiatives in an amount that does not exceed 50% of the district's portion of the basic project cost, and the cost for site acquisition. As a result, any portion of the otherwise nonexempt debt authorized by the School District's voters at the election on November 8, 2016, in excess of the 9% limitation is exempted from that limitation.

* Excludes premium, discount and accretion on capital appreciation bonds.

Elyria City School District
Lorain County, Ohio
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2018

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct Debt:			
Payable from Property Taxes Elyria City School District	\$ 104,938,266	100.00%	\$ 104,938,266
Overlapping:			
Lorain County	38,125,000	12.04%	4,590,250
Elyria City	60,780,000	88.51%	53,796,378
Lorain City	32,030,029	0.43%	137,729
Lorain County Career Center	<u>2,434,319</u>	13.53%	<u>329,363</u>
Total Overlapping Debt	<u>133,369,348</u>		<u>58,853,719</u>
Total Direct and Overlapping Debt	<u>\$ 238,307,614</u>		<u>\$ 163,791,985</u>

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2017 collection year.

Source: Ohio Municipal Advisory Council

Elyria City School District
Lorain County, Ohio
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Elyria CSD Area Population (1)	Lorain County Population	Personal Income (2)	Per Capita Personal Income	Unemployment Rate (3)	Median Income
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
2012	54,581	301,614	1,149,585,022	21,062	7.70%	25,973
2013	54,086	301,478	1,139,159,332	21,062	8.30%	39,205
2014	53,956	302,827	1,137,230,612	21,077	7.60%	39,425
2015	53,972	304,216	1,167,846,136	21,638	6.90%	42,299
2016	53,775	305,147	1,163,583,450	21,638	6.00%	42,299
2017	53,715	306,365	1,151,219,880	21,432	6.80%	40,952
2018	53,883	307,924	1,170,715,941	21,727	6.30%	40,967

Sources: 1) US Bureau of Census, Census of Population.
2) Computation of per capita personal income multiplied by population
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
Lorain County, Ohio
Principal Employers
Current Year and Nine Years Ago

Employer	2017			2008		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Lorain County Community College	1,965	1	7.77%	424	8	1.57%
University Hospitals - EMH Regional	1,934	2	7.65%	1,681	1	6.23%
Lorain County	1,743	3	6.90%	1,375	2	5.09%
Elyria City School District	961	4	3.80%	970	3	3.59%
Wal-Mart Associates Inc.	786	5	3.11%	N/A	N/A	0.00%
Bendix Commercial Vehicle Systems LLC	682	6	2.70%	411	9	1.52%
Invacare	660	10	2.61%	752	4	2.79%
Ridge Tool Company	573	7	2.27%	615	5	2.28%
The City of Elyria	566	9	2.24%	506	7	1.87%
Parker Hannifin Corporation	348	8	1.38%	510	6	1.89%
Elyria Foundry Company	N/A	N/A	0.00%	362	10	1.34%
Total	<u>10,218</u>		<u>40.43%</u>	<u>7,606</u>		<u>28.17%</u>
Total Employment within the School District	<u>25,274</u>			<u>27,000</u>		

Source: City of Elyria comprehensive annual financial report,
for the year ended December 31, 2017

Elyria City School District
Lorain County, Ohio
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Regular instruction										
Elementary classroom teachers	200.80	200.15	225.00	258.00	249.00	214.50	209.00	207.00	191.00	193.00
High school classroom teachers	160.60	149.80	134.00	154.00	110.00	106.00	200.00	209.00	208.00	208.00
Special instruction										
Elementary classroom teachers	75.49	63.92	30.00	47.00	42.00	38.50	0.00	51.00	46.00	44.00
Supplemental Service Teacher	30.15	35.15	23.90	38.00	42.00	36.00	41.70	0.00	0.00	0.00
High school classroom teachers	37.00	27.00	25.00	40.00	27.00	21.00	0.00	43.00	45.00	43.00
Vocational instruction										
High school classroom teachers	0.00	0.00	3.00	3.00	3.00	3.00	0.00	0.00	1.00	1.00
Pupil support services										
Adapted Physical Education Therapist	1.60	1.50	1.00	1.00	20.00	2.00	1.50	1.00	1.00	1.00
Curriculum Specialist	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Educational Services Teacher	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guidance counselors	23.00	22.02	21.02	23.00	15.00	12.00	18.00	17.00	12.00	13.00
Librarians	24.15	12.90	12.65	13.00	7.00	1.00	3.80	3.00	3.00	3.00
Nurse	5.00	5.00	5.00	5.00	4.00	4.00	5.00	4.00	5.00	7.00
Occupational Therapist	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	7.00	8.00
Other Professional - Educational	43.00	33.00	32.00	32.00	26.00	33.00	14.00	32.00	25.00	29.00
Other Professional - Technical	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	2.00	2.00
Physical Therapist	3.00	3.00	3.00	3.00	3.00	2.00	2.00	1.50	0.00	0.00
Psychologists	13.32	12.32	20.32	22.00	8.00	6.00	12.21	7.00	6.00	6.00
Remedial Specialist	15.50	20.50	15.65	16.00	21.00	19.00	22.00	19.00	17.00	19.00
Social Work	2.15	2.05	2.15	2.00	1.00	1.00	3.00	3.00	3.00	4.00
Speech and language pathologists	9.93	9.93	9.50	10.00	10.00	9.00	9.50	9.00	9.00	8.00
Teacher Mentor/Evaluator	30.00	11.00	18.00	19.00	18.00	22.00	7.00	11.00	13.00	13.00
Tutor/Small Group Instructor	7.35	5.96	3.76	4.00	10.00	10.00	47.11	17.00	21.00	26.00
Administrators										
Elementary	14.00	11.00	11.00	11.00	16.00	9.00	9.00	9.00	8.00	7.00
High school	13.00	7.00	12.00	12.00	12.00	12.00	12.00	13.00	13.00	14.00
Operation of plant										
Custodians	53.25	41.25	41.25	41.25	41.00	36.00	43.00	23.00	46.00	51.00
Maintenance	17.00	17.00	17.00	17.00	16.00	12.00	18.00	14.00	9.00	10.00
Food service program										
Food Service Assignment	18.00	18.00	20.00	20.00	14.50	14.50	89.32	82.00	88.00	88.00

Source: School District Records.

Method: According to Position Codes in 2017

Note: In 2014 the Ohio Department of Education changed the position code for Special Education Teachers to that of Regular Education Teachers

Elyria City School District
Lorain County, Ohio
Building Statistics
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elyria High School										
Construction started in 2007										
Total building square footage	N/A	N/A	N/A	N/A	313,000	317,031	317,031	317,031	317,031	317,031
Enrollment grades 9-12	N/A	N/A	N/A	N/A	2,074	2,011	2,012	1,945	2,004	1,890
Student capacity	N/A	N/A	N/A	N/A	1,796	1,796	1,796	1,796	1,796	1,796
Elyria High School										
Constructed in 1894 (Replaced in 2012)										
Total building square footage	247,207	247,207	247,207	247,207	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment grades 9-12	2,069	2,076	2,323	2,102	N/A	N/A	N/A	N/A	N/A	N/A
Student capacity	1,832	1,832	1,832	1,832	N/A	N/A	N/A	N/A	N/A	N/A
Eastern Heights Middle High School										
Constructed in 1969										
Total building square footage	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820	74,820
Enrollment grades 7 - 8	593	602	557	504	515	522	513	491	457	447
Student capacity	601	601	601	601	601	601	601	601	601	601
Northwood Middle High School										
Constructed in 1961										
Total building square footage	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076	76,076
Enrollment grades 7 - 8	443	589	548	532	538	528	476	454	443	451
Student capacity	487	487	487	487	487	487	487	487	487	487
Westwood Middle High School										
Constructed in 1970										
Total building square footage	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226	93,226
Enrollment grades 7 - 8	361	474	456	472	476	443	430	429	424	425
Student capacity	466	466	466	466	466	466	466	466	466	466
Hilltop Academy										
Constructed in 2001										
Total building square footage	15,745	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Enrollment grades 6 - 9	21									
Cascade Elementary										
Constructed in 1929										
Total building square footage	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Enrollment grades K - 6										
Student capacity										

(continued)

Elyria City School District
Lorain County, Ohio
Building Statistics
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Crestwood Elementary										
Constructed in 1955										
Total building square footage	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018	45,018
Enrollment grades K - 6	364	371	324	385	441	438	434	445	437	427
Student capacity	625	625	625	625	625	625	625	625	625	625
Eastgate Elementary										
Constructed in 1961										
Total building square footage										
Enrollment grades K - 6										
Student capacity										
Ely Elementary										
Constructed in 1920										
Total building square footage	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174	66,174
Enrollment grades K - 6	520	510	500	475	466	451	433	413	420	408
Student capacity	550	550	550	550	550	550	550	550	550	550
Eric Elementary										
Constructed in 1969										
Total building square footage	36,183									
Enrollment grades K - 6	307									
Student capacity	375									
Franklin Elementary										
Constructed in 1950										
Total building square footage	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275	74,275
Enrollment grades K - 6	373	474	466	417	394	393	416	414	385	473
Student capacity	800	800	800	800	800	800	800	800	800	800
McKinley Elementary										
Constructed in 1907										
Total building square footage	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273	40,273
Enrollment grades K - 6	381	422	418	432	395	368	359	363	340	337
Student capacity	550	550	550	550	550	550	550	550	550	550
Oakwood Elementary										
Constructed in 1961										
Total building square footage	34,556	34,556	34,556	34,556	34,556	34,556	34,556	34,556	34,556	34,556
Enrollment grades 1 - 6	292	341	352	357	366	346	328	289	300	272
Student capacity	450	450	450	450	450	450	450	450	450	450

(continued)

Elyria City School District
Lorain County, Ohio
Building Statistics
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Prospect Elementary										
Constructed in 1965										
Total building square footage	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401	39,401
Enrollment grades K - 6	416	459	414	396	379	388	404	341	345	364
Student capacity	500	500	500	500	500	500	500	500	500	500
Roosevelt Elementary										
Constructed in 1922										
Total building square footage	61,861									
Enrollment grades K - 6	293									
Student capacity	650									
Windsor Elementary										
Constructed in 1963										
Total building square footage	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201	49,201
Enrollment grades K - 6	400	465	457	418	436	419	410	384	398	409
Student capacity	675	675	675	675	675	675	675	675	675	675
Kindergarten Village										
Constructed in 1999										
Total building square footage	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369	111,369
Enrollment grades K - 1	271	185	182	101	249	259	251	258	343	366
Spring Valley Early Childhood Center										
Constructed in 1996										
Total building square footage	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785	28,785
Enrollment grades n/a	291	144	151	235	235					

Source: School District Records.

Elyria City School District
Lorain County, Ohio
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Expenses (1)	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/ Teacher Ratio
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
2012	87,552,164	7,520	11,643	-3.00%	525	14.3
2013	87,853,588	6,729	13,056	8.78%	465	14.5
2014	85,160,704	6,566	12,970	-0.66%	506	13.0
2015	84,466,198	6,466	13,063	0.72%	487	13.3
2016	86,481,754	6,266	13,802	5.65%	492	12.7
2017	94,226,382	6,169	15,274	10.67%	483	12.8
2018	54,880,510	6,269	8,754	-42.69%	462	13.6

Source: School District Records.

(1) Expenses are reported on an accrual basis of accounting.

The significant decrease in expenses from 2017 to 2018 is due to change in benefit terms related to GASB No. 68.

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

Elyria City School District
Lorain County, Ohio
Teachers' Salaries
Last Ten Fiscal Years

Fiscal Year	Minimum Salary (1)	Average Salary (2)	Average Salary Comparable Districts (3)	Statewide Average Salary (3)
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
2012	34,502	57,124	55,535	58,079
2013	34,502	55,167	55,512	58,120
2014	35,158	56,480	55,210	58,178
2015	35,510	59,069	56,877	57,825
2016	36,362	53,981	55,519	56,748
2017	37,235	59,046	57,877	58,849
2018	37,980	57,547	58,183	60,433

Source:

School District Records
Ohio Department of Education

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

Elyria City School District
Lorain County, Ohio
Teachers by Education
Last Ten Fiscal Years

<u>Degree</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bachelor's Degree	143	133	141	139	119	132	125	134	166	155
Master's Degree	389	386	381	385	370	371	360	281	310	325
Doctorate	2	3	3	3	3	3	2	1	1	2
Total	534	522	525	527	492	506	487	416	477	482

Source: School District Records.

Elyria City School District
Lorain County, Ohio
Enrollment Statistics
Last Ten Fiscal Years

Fiscal Year	Elementary Schools	High Schools	Total
2009	5,193	2,096	7,289
2010	5,055	2,076	7,131
2011	4,825	2,323	7,148
2012	5,572	1,948	7,520
2013	3,126	3,603	6,729
2014	3,062	3,504	6,566
2015	3,035	3,431	6,466
2016	2,907	3,319	6,226
2017	3,002	3,167	6,169
2018	3,056	3,213	6,269

Source: Ohio Department of Education.

Elyria City School District
Lorain County, Ohio
Nutrition Services
Last Ten Fiscal Years

<u>Degree</u>	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Average daily membership	5,969	5,840	6,226	6,466	6,566	6,729	6,869	7,148	7,131	7,289
Total students eligible for free lunch	3,572	3,580	3,414	3,469	3,656	3,800	3,459	3,459	3,460	3,566
Participation percent	60%	61%	55%	54%	56%	56%	50%	48%	49%	49%
Total students eligible for reduced lunch	269	305	360	349	414	547	451	451	496	695
Participation percent	5%	5%	6%	5%	6%	8%	7%	6%	7%	10%
Total	3,841	3,885	3,774	3,818	4,070	4,347	3,910	3,910	3,956	4,261

Source: Ohio Department of Education.

Elyria City School District
Lorain County, Ohio
Average Number of Students per Teacher
Last Ten Fiscal Years

Fiscal Year	Elyria CSD Average	State Average
2009	14.49	N/A
2010	14.58	N/A
2011	13.20	N/A
2012	15.02	15.80
2013	15.97	15.90
2014	14.50	15.40
2015	15.10	16.30
2016	15.06	16.01
2017	15.10	15.72
2018	13.60	14.93

Source: Ohio Department of Education.

Elyria City School District
Lorain County, Ohio
Attendance and Graduation Rates
Last Ten Fiscal Years

Fiscal Year	Elyria CSD Attendance Rate	State Average	Elyria CSD Graduation Rate	State Average
2008	94.30%	94.30%	89.60%	83.00%
2009	94.30%	94.30%	82.10%	78.00%
2010	91.40%	94.50%	85.50%	79.70%
2011	94.30%	94.50%	87.60%	81.30%
2012	92.50%	94.20%	93.00%	82.20%
2013	92.30%	94.30%	88.90%	85.50%
2014	94.40%	95.10%	88.70%	85.50%
2015	94.50%	94.10%	85.30%	83.00%
2016	93.60%	93.90%	84.80%	83.50%
2017	92.10%	93.70%	85.40%	84.10%

Source: Ohio Department of Education.

Fiscal year 2018 not available during CAFR preparation.

OHIO AUDITOR OF STATE
KEITH FABER



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
JANUARY 22, 2019**