



OHIO AUDITOR OF STATE
KEITH FABER



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, 2019

<u>FEDERAL GRANTOR</u> <i>Pass Through Grantor</i> <u>Program / Cluster Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Passed</u> <u>Through Entity</u> <u>Identifying Number</u>	<u>Expenditures</u>	<u>Non-Cash</u> <u>Expenditures</u>
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	\$ 1,744,321	\$ 172,070
National School Breakfast Program	10.553	N/A	844,862	
Summer Food Service Program for Children	10.559	N/A	78,460	
Total Child Nutrition Cluster			<u>2,667,643</u>	<u>172,070</u>
Total U.S. Department of Agriculture			<u>2,667,643</u>	<u>172,070</u>
U.S. Department of Education				
<i>Passed Through the Ohio Department of Education:</i>				
Special Education Cluster:				
Special Education-Grants to States FY18	84.027	N/A	218,363	
Special Education-Grants to States FY19	84.027	N/A	1,451,512	
Preschool Grant FY18	84.173	N/A	6,629	
Preschool Grant FY19	84.173	N/A	39,137	
Preschool Restoration FY19	84.173A	N/A	864	
Total Special Education Cluster			<u>1,716,505</u>	
Title I:				
Title I Grants to Local Educational Agencies FY18	84.010	N/A	357,727	
Title I Grants to Local Educational Agencies FY19	84.010	N/A	1,976,914	
Title I School Improvement Grant FY18	84.010	N/A	4,500	
Title I School Improvement Grant FY19	84.010	N/A	40,896	
Total Title I			<u>2,380,037</u>	
Title II-A Supporting Effective Instruction FY18	84.367	N/A	48,383	
Title II-A Supporting Effective Instruction FY19	84.367	N/A	249,099	
Total Title II-A Supporting Effective Instruction			<u>297,482</u>	
Title III LEP FY19	84.365	N/A	19,395	
Total Title III LEP			<u>19,395</u>	
Title IV Student Support FY18	84.424	N/A	4,325	
Title IV Student Support FY19	84.424	N/A	110,699	
Total Title IV Student Support			<u>115,024</u>	
Striving Readers Comprehensive Literacy FY18	84.371	N/A	20,421	
Striving Readers Comprehensive Literacy FY19	84.371	N/A	503,873	
Total Striving Readers Comprehensive Literacy			<u>524,294</u>	
Total U.S. Department of Education			<u>5,052,737</u>	
Total Federal Assistance			<u>\$ 7,720,380</u>	<u>\$ 172,070</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, 2019**

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, 2019. 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.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District does not provide funds to subrecipients.

NOTE E - 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 F – 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 G - 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 2019 to 2020 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$336,455
Title II-A Supporting Effective Instruction	84.367	\$208,745
Title III LEP	84.365	\$7,882
Title IV Student Support	84.424	\$63,916
Special Education-Grants to States	84.027	\$104,479
Preschool Grant	84.173	\$3,381



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**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, 2019, 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, 2019.

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.



Keith Faber
Auditor of State

Columbus, Ohio

December 27, 2019

OHIO AUDITOR OF STATE KEITH FABER



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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

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 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 Elyria City School District's major federal program for the year ended June 30, 2019. 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, 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, 2019.

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 Elyria City School District (the District) as of and for the year ended June 30, 2019, 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, 2019. 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.



Keith Faber
Auditor of State

Columbus, Ohio

December 27, 2019

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**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: Special Education - Grants to States - CFDA #84.027 Preschool Grant – CFDA #84.173 Preschool Restoration - CFDA #84.173A
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	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 the Fiscal Year Ended
June 30, 2019**

Elyria City School District
Lorain County, Ohio

Comprehensive Annual
Financial Report

For Fiscal Year Ended June 30, 2019

Issued by: Office of the Treasurer

Joy Clickenger
Treasurer

ELYRIA CITY SCHOOL DISTRICT
Lorain County, Ohio
 Comprehensive Annual Financial Report
 Fiscal Year Ended June 30, 2019

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ELYRIA CITY SCHOOL DISTRICT
Lorain County, Ohio
 Comprehensive Annual Financial Report
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Lorain County, Ohio
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Lorain County, Ohio
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INTRODUCTORY SECTION

The Elyria City School District

Ensuring that each child reaches his or her full potential



December 27, 2019

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

As the Superintendent and Treasurer of the Elyria City School District (the “District”), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2019 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 District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels, and a broad range of co-curricular and extracurricular activities, 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 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 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 District are not misleading. The primary government of the District consists of all funds.

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

A complete discussion of the District's reporting entity is provided in 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 District and, together with the District, is governed by the general laws of the State of Ohio as set forth in the Ohio Revised Code. The Board is comprised of five members who are elected for overlapping four-year terms.

The Superintendent of Schools (the "Superintendent"), appointed by the Board for a term not longer than five years, is the chief executive officer of the District and has the responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The Superintendent, Ann E. Schloss, has been Superintendent since January 29, 2019.

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

The District and Its Facilities

The District is located in the City of Elyria in Lorain County, Ohio. In fiscal year 2018-2019, there were 6,253 students enrolled in the District. The District currently operates seven elementary schools, three middle schools, one high school, and one special education pre-school. The District maintains one administrative facility that houses an all-day every day Kindergarten and a Pre-School of 346 students, all central functions for the District including all maintenance functions and a central kitchen for its food service program. The District serves as the primary education provider for high incidence special education programs, which provide special curricula and skills programs for students from all of Lorain County and surrounding school districts.

Employee Relations and Benefits

For 2019, the District employed 794 full and part-time teaching and support personnel. In the fiscal year ended June 30, 2019, the District paid from its general fund \$38,583,535 in salaries and \$14,930,270 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 District's teachers and educational specialists. The NEA/OEA/Elyria Schools Support Staff (ESSS) represents the 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 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 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 District employees participate in either the State Teachers Retirement System (STRS) or the School Employees Retirement System (SERS). The District made required contributions for pension and other postemployment benefits (OPEB) obligations to these Systems on behalf of its employees in the amount of \$6,708,882 during the 2019 fiscal year.

ECONOMIC CONDITION AND OUTLOOK

Taxes

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

Taxes collected from "Real Property" (other than Public Utilities) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. 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 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 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, 2019, the District received \$39,356,784 of State Foundation 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 7.62% of the city's employment, followed by University Hospital with 7.55%, Lorain County Government with 6.45%. (Source: City of Elyria Comprehensive Annual Financial Report 2018).

The rate of unemployment, at the end of the fiscal year 2019, for Lorain County was 5.4%, down by 0.9% from last fiscal year. (Source: Bureau of Labor Statistics).

Within the boundaries of the District is the Midway Shopping Mall. The Mall includes major retailers such as Best Buy and Dunham's Sports along with many smaller retailers. The Mall's surrounding area includes department stores such as The Home Depot, Dick's Sporting Goods, and Target. Also, within the boundaries, is a major food store chain (Giant Eagle), the University Hospital (Elyria Memorial) system, and numerous specialty shops, chain restaurants and other eateries.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Curriculum Initiatives

The District has updated the K-12 course of study with materials to complement the state standards and model curriculum. Our staff is continuing the implementation of programs such as; Lucy Caulkins Units of Study, Smarty Ants, Achieve3000, IXL, Project Lead the Way, enVisionmath 2.0, Read 180, System 44, NWEA MAP, STAR, Shared Inquiry and several early literacy programs. We have implemented STEM Pathways and our maker movement is in high gear. STEM Classes have been added for 6th grade students in all three middle schools. The 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.

We have partnered with the Schlechty Center to identify our district beliefs while engaging all stakeholders. Parents, community members, staff, and students have participated in focus group sessions to build our common language and beliefs around the capacity of work and opportunities for our students.

Classroom Technology

The District has a standard for use of technology and uses fiber optics and a Wide Area Network (WAN) to all of its buildings to accommodate the use of administrative and instructional technology. The District's 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.

School District Academic Progress

As we reflect on the recent Elyria City Schools' 2019 report card, we are proud of the progress we are seeing across the District. Elyria City Schools' Progress has shown sustainable growth in all content areas and within all groups of students. Our overall composite score went from a -20.7 in 2018 to a -11.1 in our current 2019 report card. We attribute the sustainable growth to our instructional practices in the classrooms, implementation of programs, and providing our staff with the resources and training to provide individualized instruction for all students. For example, with our Striving Readers' Grant funds, we were able to implement Intervention Programs that showed success for our Middle School struggling readers. This year we have expanded those programs to additional buildings and students. We look to see continued growth across the District.

Additional Key Points and Celebrations:

- 17 Component Grades increased across our schools in the district
- 9 out of 11 schools raised one or more component grades on their individual school report card
- We have added Community Engagement Liaisons (CELs) to 7 of our schools. These parents will work with our families to ensure students are coming to school and ready to learn. They will engage parents in resources and activities to support their learning at school and at home.

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 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 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 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 District offers an expansive preschool program with attendance of more than 340 three and four year olds.

The District offers more than 550 Smartboards and interactive panels in classrooms throughout the District. These panels are redefining how teachers teach and students learn: lesson plans are more interactive and students enjoy the hands-on approach to learning. They have helped improve students' attention, classroom participation and behavior. We are currently phasing Clever Touch monitors and will equip our new buildings as such. The District is also a BYOD district and we have many devices for students to use. The District has 1:1 Chromebooks in grades 3-8 and students in grades PreK-2 and 9-12 also have access to Chromebooks throughout the school day. Through grant funding, the District has created several makerspaces and Tech E Clubs.

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

Special Education

- The District's special education department offers a wide continuum of services—13 disability areas and many related services. The District serves approximately 1,300 students identified with a disability. Most of these students are District residents attending Elyria Schools; however a number of outside residents are served through the District's comprehensive special education programming.
- The District offers programming for students with moderate to intensive needs and programming for students with emotional/behavioral needs grades pre-K through 12.
- The 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 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 District's special education staff has been recognized for programming and instruction for students with autism. We present yearly at the OCALI state conference in Columbus.
- The District hosts the yearly regional Special Olympics at Ely Stadium and year-long activities such as bowling, golf and basketball. We recently started a unified track program for our students with special needs.
- Of the District's alternate assessment scores (Alternate Assessment is a testing option for students with the most severe disabilities), most are accelerated or advanced.
- We were one of sixteen districts last academic year to receive a \$100,000 transition activities grant to support secondary special education students in the areas of vocational skills, academic skills, and transition skills.

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 District's updated web page as a community resource for Board of Education and Financial Service information on the District.
- Board Policy manual was converted to an electronic file available to the public on our District website.
- 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 District will continue to investigate cost reduction possibilities while offering as many options as needed for student success.

The 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 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 District elementary and middle schools. The residents of Elyria City 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 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 District prepare and publish an annual financial report using accounting principles generally accepted in the United States of America.

Fiscal Management

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

Budgeting, Tax Levy and Appropriations Procedures

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

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

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

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

FINANCIAL CONDITION

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

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

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

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

Management is responsible for preparing a discussion and analysis for the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2019. 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 District employees. The Self Insurance fund had a net position of \$2,103,848 for fiscal year 2019.

Financial Highlights – Fiduciary Funds The trust fund carried on the financial records of the District is a private purpose trust that has net position totaling \$519,575 for fiscal year 2019.

FINANCIAL POLICIES

The Board has incorporated policies to improve the financial viability of the District both in the short and long term. The District uses the Five Year Forecast as a tool to plan for the future. The CFO develops the forecast in cooperation with the superintendent to project future outcomes. The Board has regular presentations and discussions of our progress. The entire management team is in tune with the financial direction of the District.

In the past, the 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.

USE OF REPORT

This report is published to provide the Board of Education, the citizens of the Elyria School District and other interested persons, detailed information concerning the financial condition of the District, with the particular emphasis placed on the utilization of resources during fiscal year 2019. Further, this report will serve as a guide to formulating policies and conducting the District's day-to-day activities. The information is presented in a manner designed to fairly set forth the financial activity of its various funds. 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 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 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, 2019. The auditor's unmodified opinion rendered on the 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 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 City School District for its Comprehensive Annual Financial Report for the year ended June 30, 2018. 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.

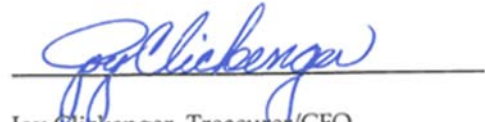
A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR, conforms to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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 District in a fiscally responsible, professional and progressive manner.



Ann Schloss, Superintendent/CEO



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

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

Superintendent/Chief Executive Officer

The Superintendent is the executive officer of the 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 District.

Treasurer/Chief Financial Officer

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

2019-2020 ELYRIA CITY SCHOOL DISTRICT, OHIO

Management Team

Ann E. Schloss	Superintendent of Schools/CEO
Joy Clickenger	Treasurer/CFO
Anne Holton	Assistant Treasurer
Jaime Barnier	Director, Human Resources
Amy Higgins	Director, Communications & Organizational Strategy
Natalie Matthews	Director, Academic Services
Ramona Mendak	Assistant Director of Academic Services
Amy Keir	Teaching/Learning Coordinator
Kathy Koepp	Director, Professional Development
Brian Kokai	Director, Information Technology
Jacob Carmany	Director, Business Services
Heather Beck	Athletic Director
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
Dana Cerrito	Crestwood Elementary Principal
Brandon Easton	Ely Elementary Principal
Jackie Plantner	Elyria Early Childhood Village (EECV) Principal

(continued)

Stacey Gatten

McKinley Elementary Principal

Jodie Johnson

Franklin Elementary Principal

Joy Jones

Oakwood Elementary Principal

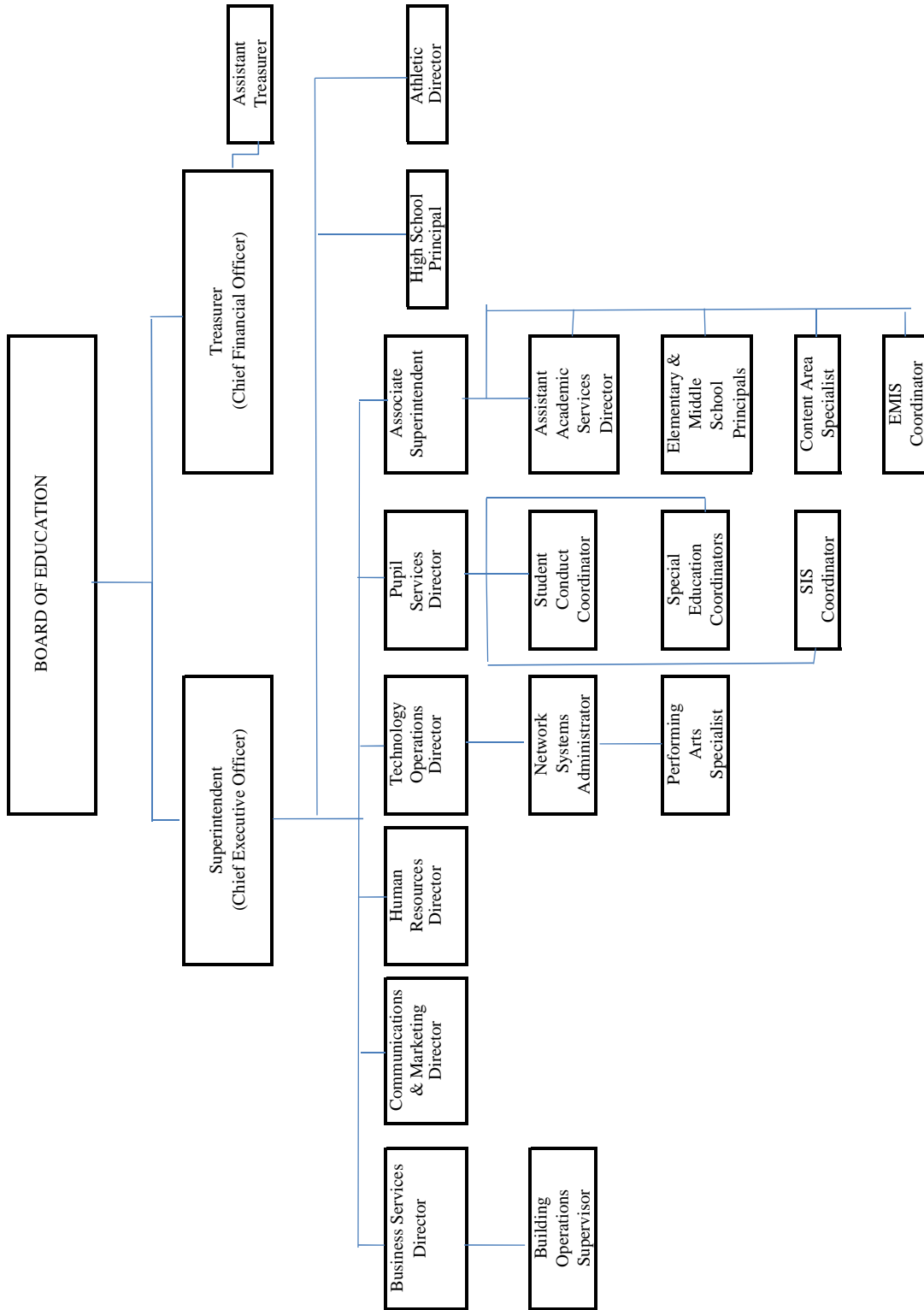
Jessica Barwacz

Prospect Elementary Principal

Miranda Roscoe

Windsor Elementary Principal

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, 2018

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

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, 2019, 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.

Efficient • Effective • Transparent

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, 2019, 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.

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, 2019, 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

December 27, 2019

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The management's discussion and analysis of Elyria City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- In total, net position increased \$9,764,489 from 2018. Net position of governmental activities increased \$9,773,745 from 2018. Business-type activities net position decreased \$9,256 from 2018.
- For governmental activities, general revenues accounted for \$79,953,043 in revenue or 83.84% of total revenues. Program specific revenues in the form of charges for services and sales, operating/capital grants and contributions accounted for \$15,415,998 or 16.16% of total revenues.
- Total revenues for fiscal year 2019 were \$98,757,466. Of this total, \$95,369,041 was reported in the governmental activities and \$3,388,425 in the business-type activities.
- The District had \$85,515,701 in expenses related to governmental activities; only \$15,415,998 of these expenses was offset by program specific charges for services, operating/capital grants or contributions resulting in a net cost of \$70,099,703 for the District. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$79,953,043 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the classroom facilities fund. The general fund had \$79,302,709 in revenues other financing sources and \$80,949,511 in expenditures and other financing uses. During fiscal year 2019, the general fund's fund balance decreased \$1,646,802 from a balance of \$27,060,582 to \$25,413,780.
- The classroom facilities fund had \$1,778,918 in revenues and other financing sources and \$12,845,982 in expenditures. During fiscal year 2019, the classroom facilities fund's fund balance decreased \$11,067,064 from \$52,828,402 to \$41,761,338.

Using this Annual Financial Report

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

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and classroom facilities fund are the most significant funds, and the only governmental funds reported as major funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the 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 District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's lunchroom/cafeteria operations are reported as a business-type activity.

The District's statement of net position and statement of activities can be found on pages 21-22 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 14 and the analysis of the District's enterprise funds begins on page 16. Fund financial reports provide detailed information about the District's major funds.

The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and classroom facilities fund.

Governmental Funds

Most of the 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 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. The basic governmental fund financial statements can be found on pages 24-28 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole. The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The 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 an agency fund. The District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 32 and 33. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 35-80.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 82-97 of this report.

**ELYRIA CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2019 and 2018.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 207,170,172	\$ 217,417,926	\$ 200,603	\$ (101,247)	\$ 207,370,775	\$ 217,316,679
Capital assets, net	90,062,914	73,014,086	171,939	236,334	90,234,853	73,250,420
Total assets	<u>297,233,086</u>	<u>290,432,012</u>	<u>372,542</u>	<u>135,087</u>	<u>297,605,628</u>	<u>290,567,099</u>
Deferred outflows						
Unamortized deferred charges	3,138,706	3,337,876	-	-	3,138,706	3,337,876
Pension & OPEB	23,226,878	27,261,003	386,984	313,037	23,613,862	27,574,040
Total deferred outflows	<u>26,365,584</u>	<u>30,598,879</u>	<u>386,984</u>	<u>313,037</u>	<u>26,752,568</u>	<u>30,911,916</u>
Liabilities						
Current and Other liabilities	16,173,767	13,004,356	456,833	171,157	16,630,600	13,175,513
Long-term liabilities						
Due within one year	3,322,859	3,472,375	2,158	2,007	3,325,017	3,474,382
Due in more than one year						
Net pension and OPEB liability	90,724,722	106,728,011	2,481,470	2,400,232	93,206,192	109,128,243
Other amounts	104,310,787	107,006,058	44,708	41,582	104,355,495	107,047,640
Total liabilities	<u>214,532,135</u>	<u>230,210,800</u>	<u>2,985,169</u>	<u>2,614,978</u>	<u>217,517,304</u>	<u>232,825,778</u>
Deferred inflows						
Property taxes	30,627,074	29,415,128	-	-	30,627,074	29,415,128
Pension & OPEB	15,315,762	8,055,009	277,859	327,392	15,593,621	8,382,401
Total deferred inflows	<u>45,942,836</u>	<u>37,470,137</u>	<u>277,859</u>	<u>327,392</u>	<u>46,220,695</u>	<u>37,797,529</u>
Net position						
Net investment in capital assets	36,082,044	25,229,087	171,939	236,334	36,253,983	25,465,421
Restricted	79,748,492	91,401,213	-	-	79,748,492	91,401,213
Unrestricted (deficit)	<u>(52,706,837)</u>	<u>(63,280,346)</u>	<u>(2,675,441)</u>	<u>(2,730,580)</u>	<u>(55,382,278)</u>	<u>(66,010,926)</u>
Total net position (deficit)	<u>\$ 63,123,699</u>	<u>\$ 53,349,954</u>	<u>\$ (2,503,502)</u>	<u>\$ (2,494,246)</u>	<u>\$ 60,620,197</u>	<u>\$ 50,855,708</u>

GASB 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/asset to equal the 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.

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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 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.

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 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.

Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2019, the District’s assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$60,620,197. Of this total, \$79,748,492 is restricted in use.

Current and other assets decreased as cash was spent on continued capital projects as part of the District’s construction project with the Ohio Finance Construction Commission (OFCC). The District made cash expenditures of approximately \$18 million on OFCC and other construction projects during fiscal year 2019. This decrease in cash and investments was partially offset by a \$4,891,854 net OPEB asset reported by STRS. See Note 12 for more detail. STRS did not report a net pension asset in fiscal year 2018.

During fiscal year 2019, capital assets, net increased primarily in the area of construction in progress as the District is currently performing various construction/renovation projects including a new stadium and new school facilities as part of a OFCC project.

At year-end, capital assets represented 30.32% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks. The net investment in capital assets at June 30, 2019, was \$36,253,983. These capital assets are used to provide services to the students and are not available for future spending. Although the 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.

**ELYRIA CITY SCHOOL DISTRICT
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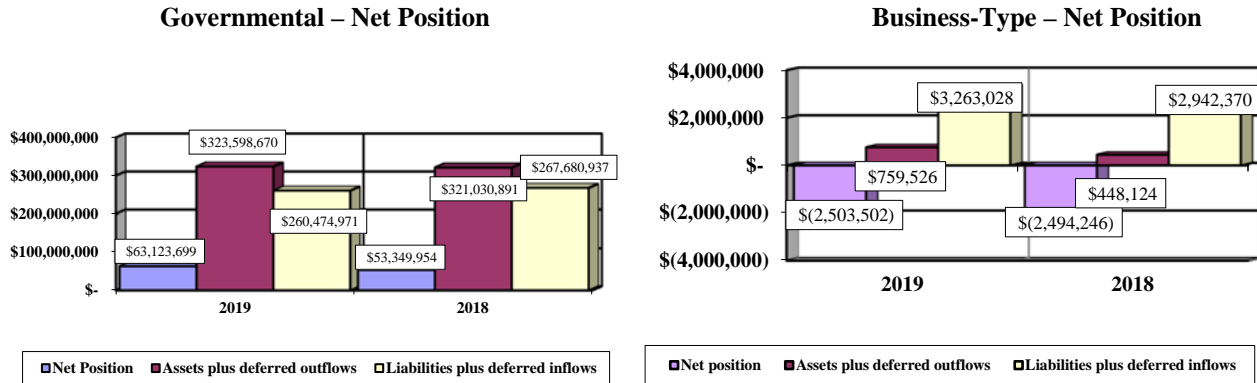
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Current liabilities increased primarily due to contracts and retainage payable related to construction projects. Long-term liabilities decreased primarily due to a decrease in the net pension liability and net OPEB liability. The District's net pension liability is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions to District employees, not the District.

Deferred inflows related to OPEB increased primarily due to changes in assumptions by STRS. See Note 12 for more detail.

A portion of the District's net position, \$79,748,492, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$55,382,278. Of the unrestricted net position, a deficit of \$52,706,837 is reported in the governmental activities and a deficit of \$2,675,441 is reported in the business type activities.

The graphs below show the assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities and business-type activities at June 30, 2019 and 2018.



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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The table below shows the change in net position for fiscal years 2019 and 2018.

Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 2,978,125	\$ 3,173,504	\$ 439,354	\$ 441,471	\$ 3,417,479	\$ 3,614,975
Operating grants and contributions	12,189,127	11,549,102	2,897,438	2,814,959	15,086,565	14,364,061
Capital grants and contributions	248,746	131,026	-	-	248,746	131,026
General revenues:						
Property taxes	36,351,754	41,499,528	-	-	36,351,754	41,499,528
Grants and entitlements not restricted	40,421,471	40,207,103	-	-	40,421,471	40,207,103
Investment earnings	2,602,084	698,491	-	-	2,602,084	698,491
Miscellaneous	577,734	577,437	51,633	-	629,367	577,437
Total revenues	<u>95,369,041</u>	<u>97,836,191</u>	<u>3,388,425</u>	<u>3,256,430</u>	<u>98,757,466</u>	<u>101,092,621</u>
Expenses						
Program expenses:						
Instruction:						
Regular	28,904,646	8,564,742	-	-	28,904,646	8,564,742
Special	13,356,269	7,658,111	-	-	13,356,269	7,658,111
Vocational	85,816	94,811	-	-	85,816	94,811
Student intervention and other	10,260,485	10,121,711	-	-	10,260,485	10,121,711
Support services:						
Pupil	4,678,739	2,019,457	-	-	4,678,739	2,019,457
Instructional staff	2,361,993	1,682,490	-	-	2,361,993	1,682,490
Board of education	90,651	81,140	-	-	90,651	81,140
Administration	4,701,729	2,517,769	-	-	4,701,729	2,517,769
Fiscal	1,168,229	1,377,519	-	-	1,168,229	1,377,519
Business	622,529	638,359	-	-	622,529	638,359
Operations and maintenance	6,026,640	5,625,460	-	-	6,026,640	5,625,460
Pupil transportation	4,136,063	3,794,809	-	-	4,136,063	3,794,809
Central	952,088	856,060	-	-	952,088	856,060
Operation of non-instructional services:						
Food service operations	340,553	337,856	-	-	340,553	337,856
Community services	1,929,493	1,183,129	-	-	1,929,493	1,183,129
Extracurricular activities	1,798,096	901,397	-	-	1,798,096	901,397
Interest and fiscal charges	4,101,682	4,109,191	-	-	4,101,682	4,109,191
Lunchroom/Cafeteria	-	-	3,477,276	3,316,499	3,477,276	3,316,499
Total expenses	<u>85,515,701</u>	<u>51,564,011</u>	<u>3,477,276</u>	<u>3,316,499</u>	<u>88,992,977</u>	<u>54,880,510</u>
Transfers	<u>(79,595)</u>	<u>-</u>	<u>79,595</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	9,773,745	46,272,180	(9,256)	(60,069)	9,764,489	46,212,111
Net position (deficit)						
at beginning of year	<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>
Net position (deficit) at end of year	<u>\$ 63,123,699</u>	<u>\$ 53,349,954</u>	<u>\$ (2,503,502)</u>	<u>\$ (2,494,246)</u>	<u>\$ 60,620,197</u>	<u>\$ 50,855,708</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

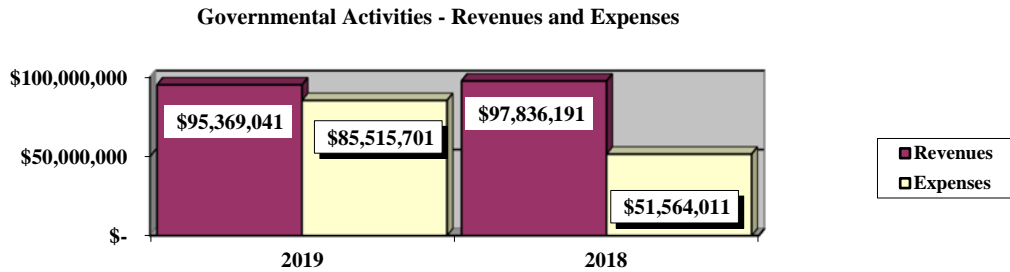
Governmental Activities

For fiscal year 2019, the net position of the District's governmental activities increased \$9,773,745 from 2018. Total governmental expenses of \$85,515,701 were offset by program revenues of \$15,415,998 and general revenues of \$79,953,043. Program revenues supported 18.03% of the total governmental expenses.

Overall, expenses of the governmental activities increased \$33,951,690 or 65.84%. This increase is primarily the result of the STRS indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2018. These benefit changes caused a decrease to the net pension liability reported at June 30, 2018 and the subsequent expenses reported for fiscal year 2018 when compared to fiscal year 2017.

On an accrual basis, the District reported \$7,166,835 and (\$28,688,830) in pension expense for fiscal year 2019 and 2018, respectively. In addition, the District reported (\$10,218,132) and (\$3,165,609) in OPEB expense for fiscal year 2019 and 2018, respectively. The increase in the net pension expense and the decrease in the OPEB expense from fiscal year 2018 to fiscal year 2019 was a net increase of \$28,803,142. This increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities. The District's total expenses for fiscal year 2019 are comparable to total fiscal year 2017 expenses.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2019 and 2018.



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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

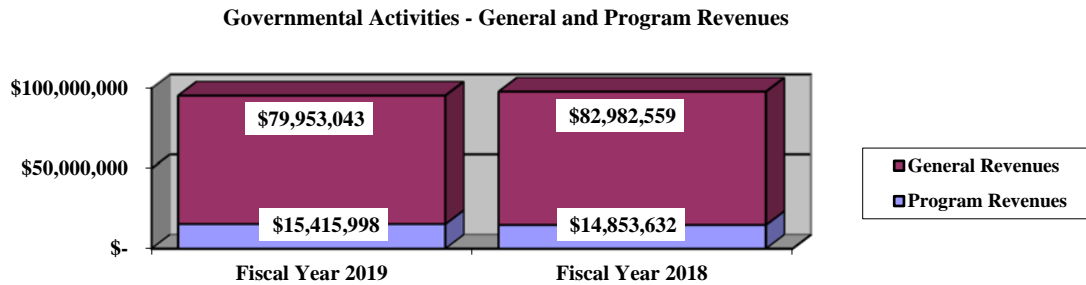
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2019 and 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>
Program expenses:				
Instruction:				
Regular	\$ 28,904,646	\$ 26,667,518	\$ 8,564,742	\$ 6,289,584
Special	13,356,269	4,694,026	7,658,111	(578,548)
Vocational	85,816	(29,874)	94,811	(26,662)
Student intervention and other	10,260,485	9,923,735	10,121,711	9,831,698
Support services:				
Pupil	4,678,739	4,064,950	2,019,457	1,157,496
Instructional staff	2,361,993	1,804,149	1,682,490	1,132,255
Board of education	90,651	90,651	81,140	81,140
Administration	4,701,729	4,219,905	2,517,769	2,180,231
Fiscal	1,168,229	1,166,905	1,377,519	1,377,519
Business	622,529	622,529	638,359	638,359
Operations and maintenance	6,026,640	5,719,884	5,625,460	5,417,823
Pupil transportation	4,136,063	3,860,361	3,794,809	3,468,040
Central	952,088	952,088	856,060	856,060
Operation of non-instructional services:				
Food service operations	340,553	340,553	337,856	337,856
Community services	1,929,493	407,522	1,183,129	(269,062)
Extracurricular activities	1,798,096	1,493,119	901,397	707,399
Debt service:				
Interest and fiscal charges	<u>4,101,682</u>	<u>4,101,682</u>	<u>4,109,191</u>	<u>4,109,191</u>
Total expenses	<u>\$ 85,515,701</u>	<u>\$ 70,099,703</u>	<u>\$ 51,564,011</u>	<u>\$ 36,710,379</u>

The dependence upon tax revenues during fiscal year 2019 for governmental activities is apparent, as 78.42% of 2019 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 81.97%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2019 and 2018.



**ELYRIA CITY SCHOOL DISTRICT
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FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Business-type Activities

Business-type activities include lunchroom/cafeteria operations. This program had revenues of \$3,388,425 and expenses of \$3,477,276 for fiscal year 2019. Management reviews this program to develop policies to allow this service to become self-supporting, exclusive of the impact of the reporting related to GASB 68 and GASB 75 as previously discussed.

The District's Funds

Governmental Funds

The District's governmental funds reported a combined fund balance of \$84,394,367, which is less than last year's fund total of \$104,359,324. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

	Fund Balance <u>June 30, 2019</u>	Fund Balance <u>June 30, 2018</u>	<u>Change</u>
General	\$ 25,413,780	\$ 27,060,582	\$ (1,646,802)
Classroom Facilities	41,761,338	52,828,402	(11,067,064)
Other governmental	<u>17,219,249</u>	<u>24,470,340</u>	<u>(7,251,091)</u>
Total	<u>\$ 84,394,367</u>	<u>\$104,359,324</u>	<u>\$ (19,964,957)</u>

General Fund

The District's general fund balance decreased \$1,646,802. The table that follows assists in illustrating the revenues of the general fund.

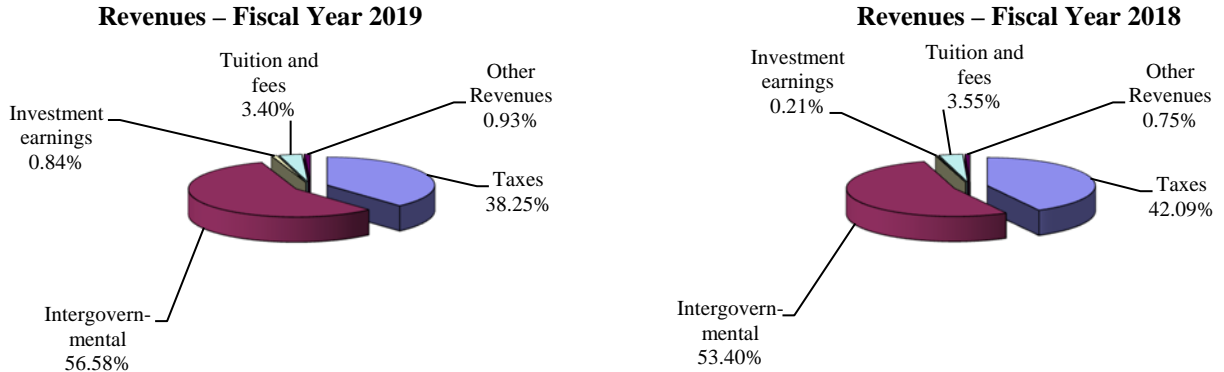
	2019 <u>Amount</u>	2018 <u>Amount</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Property and other taxes	\$ 30,320,891	\$ 35,007,326	\$ (4,686,435)	(13.39) %
Intergovernmental	44,857,478	44,422,258	435,220	0.98 %
Investment earnings	666,735	174,772	491,963	281.49 %
Tuition and fees	2,696,572	2,951,265	(254,693)	(8.63) %
Other revenues	<u>738,200</u>	<u>623,571</u>	<u>114,629</u>	18.38 %
Total	<u>\$ 79,279,876</u>	<u>\$ 83,179,192</u>	<u>\$ (3,899,316)</u>	(4.69) %

Property and other taxes revenue decreased due to fluctuations in in the amount of property taxes collected and available as advance at year end. These amounts are recognized as revenue in the fiscal year the District could draw on these advances rather than when cash is received. The amounts that were available as advance were \$6,180,434, \$6,520,075, and \$2,291,127 at June 30, 2019, 2018, and 2017, respectively. Actual general fund tax receipts (cash-basis) for fiscal year 2019 and 2018 were \$30,660,532 and \$30,778,378, respectively. Investment earnings increased due to improved interest rates on investments and more money invested than in prior year. Tuition and fees revenues decreased primarily due to decreased open enrollment from the prior year. Other revenues increased from fiscal year 2018 primarily due to an increase in miscellaneous revenues such as refunds, reimbursements and monies from other local sources. Intergovernmental revenues were comparable to the prior fiscal year increasing less than 1%.

**ELYRIA CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The graphs below show the District's revenues, by source, for fiscal year 2019 and 2018:

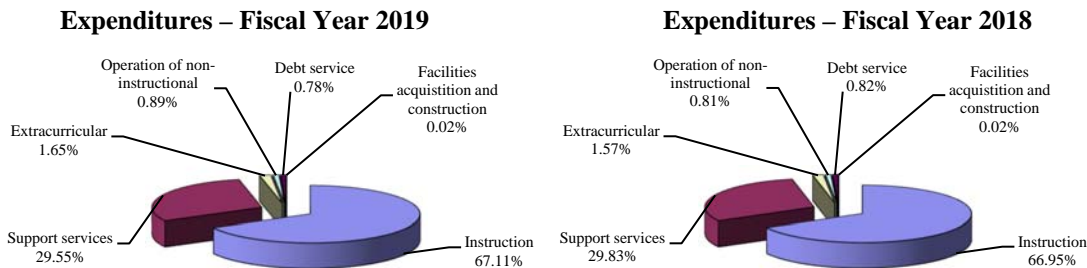


The table that follows assists in illustrating the expenditures of the general fund.

	2019 <u>Amount</u>	2018 <u>Amount</u>	Increase (Decrease)	Percentage Change
<u>Expenditures</u>				
Instruction	\$ 54,274,043	\$ 51,488,117	\$ 2,785,926	5.41 %
Support services	23,897,422	22,937,348	960,074	4.19 %
Operation of non-instructional services	717,514	622,762	94,752	15.21 %
Extracurricular activities	1,336,561	1,204,012	132,549	11.01 %
Facilities acquisition and construction	13,800	13,800	-	- %
Debt service	630,576	632,217	(1,641)	(0.26) %
Total	<u>\$ 80,869,916</u>	<u>\$ 76,898,256</u>	<u>\$ 3,971,660</u>	5.16 %

In total, expenditures increased 5.16% from 2018. Instruction expenditures increased in both the regular instruction and special instruction areas. The increases were due to normal and customary wage and benefits increases and due to increased costs associated with the instruction of students with special needs. The operation of non-instructional services increased due to increased costs associated with community services which do not directly relate to the education of pupils. Extracurricular activities expense increased due to increased participation in activities.

The graphs below show the District's expenditures, by functional area, for fiscal year 2019 and 2018:



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Classroom Facilities Fund

The classroom facilities fund had \$1,778,918 in revenues and other financing sources and \$12,845,982 in expenditures. During fiscal 2019, the classroom facilities fund's fund balance decreased \$11,067,064 from \$52,828,402 to \$41,761,338. During 2019, the District did not receive any draws into this fund from the OFCC. The only revenue in 2019 was interest earning. The District had almost \$13 million in expenditures during 2019 related to the construct project funded through the OFCC.

Nonmajor Governmental Funds

The nonmajor governmental funds had \$14,371,239 in revenues and \$21,622,330 in expenditures and other financing uses. During fiscal 2019, the nonmajor governmental fund's fund balance decreased \$7,251,091 from \$24,470,340 to \$17,219,249. The decrease was primarily due to construction expenditures of approximately \$7.2 million from the building fund which represents locally funded construction projects.

Enterprise Fund

The District's enterprise fund reported operating revenues of \$490,987, operating expenses of \$3,477,276, nonoperating revenues of \$2,897,438, and a transfer in of \$79,595. Net position of the enterprise fund decreased \$9,256 from a deficit of \$2,494,246 to a deficit of \$2,503,502. The enterprise fund reported an operating loss of \$2,986,289. Nonoperating revenues and transfers in of \$2,977,033 were not sufficient to report a positive change in net position.

General Fund Budgeting Highlights

The 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.

For the general fund, the final budgeted revenue and other financing sources were \$79,451,419. The original budgeted revenue and other financing sources were \$78,639,869. Actual revenue and other financing sources were \$79,923,251. The difference between the final budgeted revenues and other financing sources and the actual revenues and other financing sources was \$471,832. The difference between the original and final budget of \$811,550 was primarily due to anticipated increases in property taxes.

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$81,822,165. This amount was \$61,720 less than the final budgeted amount (appropriations plus prior year encumbrances) primarily due to an overestimation of transfers out from the general fund. The final budgeted expenditures and other financing uses and the original budgeted amount were \$81,883,885 and \$81,863,413, respectively. Overall, fund balance on the budget basis decreased \$1,898,914 from the prior year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2019, the District had \$90,234,853 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and library books. Of this total, \$90,062,914 was reported in governmental activities and \$171,939 was reported in business-type activities.

The table below shows fiscal 2019 balances compared to 2018:

Capital Assets at June 30 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 9,136,422	\$ 9,151,222	\$ -	\$ -	\$ 9,136,422	\$ 9,151,222
Construction in progress	31,372,154	11,502,087	-	-	31,372,154	11,502,087
Land improvements	421,410	475,645	-	-	421,410	475,645
Buildings and improvements	48,164,558	50,273,302	-	-	48,164,558	50,273,302
Furniture and equipment	346,313	856,453	171,939	236,334	518,252	1,092,787
Vehicles	156,584	160,830	-	-	156,584	160,830
Library books	465,473	594,547	-	-	465,473	594,547
Total	<u>\$ 90,062,914</u>	<u>\$ 73,014,086</u>	<u>\$ 171,939</u>	<u>\$ 236,334</u>	<u>\$ 90,234,853</u>	<u>\$ 73,250,420</u>

Overall capital assets, net of accumulated depreciation, increased \$16,984,433 from fiscal year 2018 to fiscal year 2019. For governmental activities, capital outlays of \$20,013,071 exceeded depreciation expense of \$2,947,534 and disposals, net of \$16,709 during the year. See Note 8 to the basic financial statements for more detail on the District's capital assets.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Debt Administration

At June 30, 2019, the District has \$102,156,610 in long-term debt outstanding. Of this total, \$2,762,945 is due within one year and \$99,393,665 is due in greater than one year. The following table summarizes outstanding long-term debt:

Outstanding Debt, at Year End

	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>
2014 Refunding Bonds:		
Serial bonds	\$ 8,260,000	\$ 8,345,000
Capital appreciation bonds	34,838	34,838
Accretion on capital appreciation bonds	163,756	129,086
Premium	790,922	851,763
2015 Refunding Bonds:		
Serial bonds	28,050,000	29,395,000
Capital appreciation bonds	243,938	243,938
Accretion on capital appreciation bonds	911,164	558,884
Premium	2,949,631	3,123,138
2017 Classroom Facilities Bonds:		
Serial bonds	47,955,000	48,765,000
Premium	2,751,575	2,834,956
Discount	(439,734)	(453,060)
2017 Insured BQ G.O. Bonds:		
Serial/term bonds	9,325,000	9,335,000
Premium	532,575	551,595
Honeywell Energy	262,945	773,128
Qualified Zone Academy Bonds (QZAB)	<u>365,000</u>	<u>450,000</u>
Total	<u>\$ 102,156,610</u>	<u>\$ 104,938,266</u>

Payments of principal and interest on the general obligation bonds are made from the debt service fund. Payments of principal and interest on the Honeywell Energy and QZAB are made from the general fund. See Note 9 to the basic financial statements for more detail on the District's long-term obligations.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Current Financial Related Activities

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 District relies heavily on property taxes to fund its operations. The State's biennium budget in fiscal year 2019 provides a state wide budget of \$11.4 billion for K-12 education. The budget freezes the district at last year's funding level for the next two fiscal years regardless of enrollment and property values. Funding of community schools and open enrollment continue to impact finances.

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.

The 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. However, the uncertainty of state funding may necessitate adjustments to expenditures and revenues.

The 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 District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The District first participated in the GFOA Certificate of Achievement of Excellence in Financial Reporting program in 1999.

Contacting the 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 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.

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

STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 91,747,024	\$ 9,760	\$ 91,756,784
Cash and investments in segregated accounts . . .	2,051,644	-	2,051,644
Receivables:			
Property taxes	40,844,109	-	40,844,109
Accounts	199,063	54,222	253,285
Accrued interest	130,637	-	130,637
Intergovernmental	67,167,490	121,556	67,289,046
Prepayments	126,351	-	126,351
Materials and supplies inventory	-	6,640	6,640
Inventory held for resale	-	20,425	20,425
Internal balance	12,000	(12,000)	-
Net OPEB asset (Note 12)	4,891,854	-	4,891,854
Capital assets:			
Nondepreciable capital assets	40,508,576	-	40,508,576
Depreciable capital assets, net	49,554,338	171,939	49,726,277
Capital assets, net	<u>90,062,914</u>	<u>171,939</u>	<u>90,234,853</u>
Total assets	<u>297,233,086</u>	<u>372,542</u>	<u>297,605,628</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	3,138,706	-	3,138,706
Pension (Note 11)	22,043,778	320,356	22,364,134
OPEB (Note 12)	<u>1,183,100</u>	<u>66,628</u>	<u>1,249,728</u>
Total deferred outflows of resources	<u>26,365,584</u>	<u>386,984</u>	<u>26,752,568</u>
Liabilities:			
Accounts payable	1,449,194	245,240	1,694,434
Contracts payable	4,309,040	-	4,309,040
Retainage payable	556,580	-	556,580
Accrued wages and benefits payable	6,905,374	151,099	7,056,473
Intergovernmental payable	2,188,122	60,494	2,248,616
Accrued interest payable	359,789	-	359,789
Claims payable	405,668	-	405,668
Long-term liabilities:			
Due within one year	3,322,859	2,158	3,325,017
Due in more than one year:			
Net pension liability (Note 11)	82,883,721	1,663,519	84,547,240
Net OPEB liability (Note 12)	7,841,001	817,951	8,658,952
Other amounts due in more than one year	<u>104,310,787</u>	<u>44,708</u>	<u>104,355,495</u>
Total liabilities	<u>214,532,135</u>	<u>2,985,169</u>	<u>217,517,304</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	30,627,074	-	30,627,074
Pension (Note 11)	6,819,227	145,458	6,964,685
OPEB (Note 12)	<u>8,496,535</u>	<u>132,401</u>	<u>8,628,936</u>
Total deferred inflows of resources	<u>45,942,836</u>	<u>277,859</u>	<u>46,220,695</u>
Net position:			
Net investment in capital assets	36,082,044	171,939	36,253,983
Restricted for:			
Capital projects	75,986,695	-	75,986,695
Classroom facilities maintenance	1,614,355	-	1,614,355
Debt service	1,302,871	-	1,302,871
Locally funded programs	326,277	-	326,277
State funded programs	140,848	-	140,848
Federally funded programs	351,610	-	351,610
Student activities	25,836	-	25,836
Unrestricted (deficit)	<u>(52,706,837)</u>	<u>(2,675,441)</u>	<u>(55,382,278)</u>
Total net position	<u>\$ 63,123,699</u>	<u>\$ (2,503,502)</u>	<u>\$ 60,620,197</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, 2019

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 28,904,646	\$ 1,914,356	\$ 322,772	\$ -
Special	13,356,269	819,486	7,842,757	-
Vocational	85,816	-	115,690	-
Student intervention and other	10,260,485	-	336,750	-
Support services:				
Pupil	4,678,739	-	613,789	-
Instructional staff	2,361,993	304	557,540	-
Board of education	90,651	-	-	-
Administration	4,701,729	1,438	480,386	-
Fiscal	1,168,229	-	1,324	-
Business	622,529	-	-	-
Operations and maintenance	6,026,640	16,930	41,080	248,746
Pupil transportation	4,136,063	-	275,702	-
Central	952,088	-	-	-
Operation of non-instructional services:				
Food service operations	340,553	-	-	-
Community services	1,929,493	3,690	1,518,281	-
Extracurricular activities	1,798,096	221,921	83,056	-
Interest and fiscal charges	4,101,682	-	-	-
Total governmental activities	85,515,701	2,978,125	12,189,127	248,746
Business-type activities:				
Lunchroom/Cafeteria	3,477,276	439,354	2,897,438	-
Total business-type activities	3,477,276	439,354	2,897,438	-
Totals	\$ 88,992,977	\$ 3,417,479	\$ 15,086,565	\$ 248,746

General revenues:

Property taxes levied for:

- General purposes
- Debt service
- Other purposes

Grants and entitlements not restricted to specific programs

Investment earnings

Gain on disposal of capital assets

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (26,667,518)	\$ -	\$ (26,667,518)
(4,694,026)	-	(4,694,026)
29,874	-	29,874
(9,923,735)	-	(9,923,735)
(4,064,950)	-	(4,064,950)
(1,804,149)	-	(1,804,149)
(90,651)	-	(90,651)
(4,219,905)	-	(4,219,905)
(1,166,905)	-	(1,166,905)
(622,529)	-	(622,529)
(5,719,884)	-	(5,719,884)
(3,860,361)	-	(3,860,361)
(952,088)	-	(952,088)
(340,553)	-	(340,553)
(407,522)	-	(407,522)
(1,493,119)	-	(1,493,119)
(4,101,682)	-	(4,101,682)
(70,099,703)	-	(70,099,703)
-	(140,484)	(140,484)
-	(140,484)	(140,484)
(70,099,703)	(140,484)	(70,240,187)
30,347,561	-	30,347,561
5,659,109	-	5,659,109
345,084	-	345,084
40,421,471	-	40,421,471
2,602,084	-	2,602,084
6,124	-	6,124
571,610	51,633	623,243
79,953,043	51,633	80,004,676
(79,595)	79,595	-
79,873,448	131,228	80,004,676
9,773,745	(9,256)	9,764,489
53,349,954	(2,494,246)	50,855,708
\$ 63,123,699	\$ (2,503,502)	\$ 60,620,197

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 27,973,311	\$ 44,613,196	\$ 16,619,122	\$ 89,205,629
Cash and investments in segregated accounts . .	-	-	2,051,644	2,051,644
Receivables:				
Property taxes	34,219,919	-	6,624,190	40,844,109
Accounts	166,343	-	32,720	199,063
Accrued interest	33,720	75,602	21,315	130,637
Interfund loans	338,519	-	-	338,519
Intergovernmental	991,654	64,344,625	1,831,211	67,167,490
Prepayments	126,351	-	-	126,351
Total assets	<u>\$ 63,849,817</u>	<u>\$ 109,033,423</u>	<u>\$ 27,180,202</u>	<u>\$ 200,063,442</u>
Liabilities:				
Accounts payable	\$ 1,119,586	\$ -	\$ 321,896	\$ 1,441,482
Contracts payable	-	2,498,870	1,810,170	4,309,040
Retainage payable	-	386,833	169,747	556,580
Accrued wages and benefits payable	6,286,353	-	617,532	6,903,885
Compensated absences payable	17,694	-	-	17,694
Intergovernmental payable	2,090,226	-	97,134	2,187,360
Interfund loans payable	-	-	326,519	326,519
Total liabilities	<u>9,513,859</u>	<u>2,885,703</u>	<u>3,342,998</u>	<u>15,742,560</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . .	25,651,102	-	4,975,972	30,627,074
Delinquent property tax revenue not available . .	2,388,383	-	465,260	2,853,643
Intergovernmental revenue not available	864,068	64,344,625	1,164,950	66,373,643
Accrued interest not available	18,625	41,757	11,773	72,155
Total deferred inflows of resources	<u>28,922,178</u>	<u>64,386,382</u>	<u>6,617,955</u>	<u>99,926,515</u>
Fund balances:				
Nonspendable:				
Prepays	126,351	-	-	126,351
Unclaimed monies	6,946	-	-	6,946
Restricted:				
Debt service	-	-	5,145,110	5,145,110
Capital improvements	-	41,761,338	10,318,441	52,079,779
Classroom facilities maintenance	-	-	1,588,011	1,588,011
Non-public schools	-	-	35,093	35,093
Other purposes	-	-	385,624	385,624
Student activities	-	-	25,836	25,836
Committed:				
Termination benefits	312,388	-	-	312,388
Assigned:				
Student instruction	280,428	-	-	280,428
Student and staff support	866,587	-	-	866,587
Extracurricular activities	28,994	-	-	28,994
School supplies	14,922	-	-	14,922
Unassigned	23,777,164	-	(278,866)	23,498,298
Total fund balances	<u>25,413,780</u>	<u>41,761,338</u>	<u>17,219,249</u>	<u>84,394,367</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 63,849,817</u>	<u>\$ 109,033,423</u>	<u>\$ 27,180,202</u>	<u>\$ 200,063,442</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, 2019

Total governmental fund balances		\$	84,394,367
<i>Amounts reported for governmental activities on 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.			90,062,914
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	2,853,643	
Accounts receivable		133,163	
Accrued interest receivable		72,155	
Intergovernmental receivable		66,240,480	
Total		66,240,480	69,299,441
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 on the statement of net position.			2,103,848
Unamortized deferred charges on refundings are not recognized in the funds.			3,138,706
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(359,789)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - Pension		22,043,778	
Deferred inflows - Pension		(6,819,227)	
Net pension liability		(82,883,721)	
Total		(82,883,721)	(67,659,170)
The net OPEB liability/asset is not due and payable in the current period; therefore, liability/asset and related deferred inflows/outflows are not reported in governmental funds.			
Net OPEB asset		4,891,854	
Deferred outflows - OPEB		1,183,100	
Deferred inflows - OPEB		(8,496,535)	
Net OPEB liability		(7,841,001)	
Total		(7,841,001)	(10,262,582)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(57,280,000)	
Other long-term debt		(627,945)	
Refunding bonds		(36,310,000)	
Capital appreciation bonds		(278,776)	
Accreted interest - capital appreciation bonds		(1,074,920)	
Unamortized premiums		(7,024,703)	
Unamortized discounts		439,734	
Compensated absences (excludes \$21,916 within the internal service fund)		(5,437,426)	
Total		(107,594,036)	(107,594,036)
Net position of governmental activities		\$	63,123,699

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, 2019

	General	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 30,320,891	\$ -	\$ 5,993,309	\$ 36,314,200
Tuition.	2,633,123	-	26,580	2,659,703
Earnings on investments	666,735	1,405,183	458,375	2,530,293
Extracurricular.	95,018	-	143,025	238,043
Classroom materials and fees	63,449	-	-	63,449
Rental income	16,930	-	-	16,930
Contributions and donations	54,642	-	202,554	257,196
Other local revenues	571,610	-	15,268	586,878
Intergovernmental - intermediate	-	-	64,761	64,761
Intergovernmental - state	44,354,760	-	2,355,859	46,710,619
Intergovernmental - federal	502,718	-	5,111,508	5,614,226
Total revenues	<u>79,279,876</u>	<u>1,405,183</u>	<u>14,371,239</u>	<u>95,056,298</u>
Expenditures:				
Current:				
Instruction:				
Regular.	32,015,619	-	646,276	32,661,895
Special	12,139,942	-	2,912,025	15,051,967
Vocational	100,458	-	-	100,458
Student intervention and other	10,018,024	-	297,876	10,315,900
Support services:				
Pupil	4,784,994	-	638,647	5,423,641
Instructional staff	1,975,271	-	626,383	2,601,654
Board of education	93,295	-	-	93,295
Administration	4,855,347	-	492,605	5,347,952
Fiscal	1,123,598	-	122,337	1,245,935
Business.	703,791	-	-	703,791
Operations and maintenance	5,135,504	-	241,707	5,377,211
Pupil transportation	4,134,223	-	1,840	4,136,063
Central	1,091,399	-	-	1,091,399
Operation of non-instructional services:				
Food service operations.	408,267	-	-	408,267
Community services	309,247	-	1,712,522	2,021,769
Extracurricular activities	1,336,561	-	180,843	1,517,404
Facilities acquisition and construction.	13,800	12,845,982	7,363,159	20,222,941
Debt service:				
Principal retirement.	595,183	-	2,250,000	2,845,183
Interest and fiscal charges	35,393	-	3,762,375	3,797,768
Total expenditures	<u>80,869,916</u>	<u>12,845,982</u>	<u>21,248,595</u>	<u>114,964,493</u>
Excess of expenditures over revenues	<u>(1,590,040)</u>	<u>(11,440,799)</u>	<u>(6,877,356)</u>	<u>(19,908,195)</u>
Other financing sources (uses):				
Sale/loss of assets	22,833	-	-	22,833
Transfers in.	-	373,735	-	373,735
Transfers (out)	(79,595)	-	(373,735)	(453,330)
Total other financing sources (uses)	<u>(56,762)</u>	<u>373,735</u>	<u>(373,735)</u>	<u>(56,762)</u>
Net change in fund balances	(1,646,802)	(11,067,064)	(7,251,091)	(19,964,957)
Fund balances at beginning of year.	<u>27,060,582</u>	<u>52,828,402</u>	<u>24,470,340</u>	<u>104,359,324</u>
Fund balances at end of year.	<u>\$ 25,413,780</u>	<u>\$ 41,761,338</u>	<u>\$ 17,219,249</u>	<u>\$ 84,394,367</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, 2019

Net change in fund balances - total governmental funds \$ (19,964,957)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	\$ 20,013,071	
Current year depreciation	(2,947,534)	
Total		17,065,537

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (16,709)

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

Delinquent property tax revenue	37,554	
Interest revenue	72,155	
Intergovernmental	146,080	
Total		255,789

Repayment of bond and other long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

Principal payments during the year were:

G.O. Bonds	820,000	
Refunding Bonds	1,430,000	
Other long-term debt	595,183	
Total		2,845,183

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities.

(Increase) in accrued interest payable	(41,217)	
Accreted interest on capital appreciation bonds	(386,950)	
Amortization of bond premiums	336,749	
Amortization of bond discounts	(13,326)	
Amortization of deferred charges on refundings	(199,170)	
Total		(303,914)

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

Compensated absences (excludes \$405 with in the internal service fund) 81,230

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 6,323,800

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (7,166,835)

Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 225,168

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities. 10,218,132

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

211,321

Change in net position of governmental activities \$ 9,773,745

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 29,781,502	\$ 31,146,391	\$ 30,660,532	\$ (485,859)
Tuition	2,739,895	2,432,642	2,820,766	388,124
Earnings on investments	451,481	404,720	464,807	60,087
Classroom materials and fees	1,897	1,020	1,953	933
Rental income	16,445	15,172	16,930	1,758
Contributions and donations	38,853	406	40,000	39,594
Other local revenues	408,296	354,268	420,347	66,079
Intergovernmental - state	43,884,226	43,989,090	44,141,761	152,671
Intergovernmental - federal	488,305	266,044	502,718	236,674
Total revenues	<u>77,810,900</u>	<u>78,609,753</u>	<u>79,069,814</u>	<u>460,061</u>
Expenditures:				
Current:				
Instruction:				
Regular	31,107,940	29,342,111	31,517,014	(2,174,903)
Special	11,810,792	10,877,365	11,941,848	(1,064,483)
Vocational	96,403	94,624	98,635	(4,011)
Student intervention and other	9,808,024	10,311,612	10,035,136	276,476
Support services:				
Pupil	4,623,888	4,426,800	4,720,315	(293,515)
Instructional staff	2,274,754	2,462,468	2,073,809	388,659
Board of education	133,042	78,916	103,823	(24,907)
Administration	4,737,260	4,847,015	4,819,491	27,524
Fiscal	1,269,088	1,337,712	1,269,452	68,260
Business	771,182	779,423	741,060	38,363
Operations and maintenance	6,109,009	5,777,377	5,649,338	128,039
Pupil transportation	4,702,931	4,417,950	4,367,742	50,208
Central	1,111,824	1,087,458	1,101,418	(13,960)
Operation of non-instructional services:				
Food operations	349,262	329,536	357,349	(27,813)
Community services	280,627	301,308	287,125	14,183
Extracurricular activities	1,150,008	1,099,114	1,176,120	(77,006)
Facilities acquisition and construction	13,738	14,722	13,800	922
Debt service:				
Principal	581,714	543,558	595,184	(51,626)
Interest and fiscal charges	34,591	90,266	35,392	54,874
Total expenditures	<u>80,966,077</u>	<u>78,219,335</u>	<u>80,904,051</u>	<u>(2,684,716)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,155,177)</u>	<u>390,418</u>	<u>(1,834,237)</u>	<u>(2,224,655)</u>
Other financing sources (uses):				
Refund of prior year's expenditures	18,508	20,193	19,054	(1,139)
Transfers (out)	(566,478)	(2,853,000)	(579,595)	2,273,405
Advances in	788,283	820,241	811,550	(8,691)
Advances (out)	(330,858)	(811,550)	(338,519)	473,031
Proceeds from sale of capital assets	22,178	1,232	22,833	21,601
Total other financing sources (uses)	<u>(68,367)</u>	<u>(2,822,884)</u>	<u>(64,677)</u>	<u>2,758,207</u>
Net change in fund balance	(3,223,544)	(2,432,466)	(1,898,914)	533,552
Fund balance at beginning of year	25,218,761	25,218,761	25,218,761	-
Prior year encumbrances appropriated	1,969,747	1,969,747	1,969,747	-
Fund balance at end of year	<u>\$ 23,964,964</u>	<u>\$ 24,756,042</u>	<u>\$ 25,289,594</u>	<u>\$ 533,552</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Assets:		
Equity in pooled cash and investments . . .	\$ 9,760	\$ 2,541,395
Receivables:		
Accounts	54,222	-
Intergovernmental.	121,556	-
Materials and supplies inventory.	6,640	-
Inventory held for resale	20,425	-
	212,603	2,541,395
Total current assets		
Noncurrent assets:		
Depreciable capital assets, net	171,939	-
	384,542	2,541,395
Total assets.		
Deferred outflows of resources:		
Pension (Note 11)	320,356	-
OPEB (Note 12)	66,628	-
	386,984	-
Total deferred outflows of resources		
Liabilities:		
Accounts payable.	245,240	7,712
Accrued wages and benefits	151,099	1,489
Compensated absences.	2,158	1,826
Interfund loan payable	12,000	-
Intergovernmental payable	60,494	762
Claims payable	-	405,668
	470,991	417,457
Total current liabilities		
Long-term liabilities:		
Compensated absences payable.	44,708	20,090
Net pension liability (Note 11).	1,663,519	-
Net OPEB liability (Note 12)	817,951	-
	2,526,178	20,090
Total long-term liabilities		
Total liabilities	2,997,169	437,547
Deferred inflows of resources:		
Pension (Note 11)	145,458	-
OPEB (Note 12)	132,401	-
	277,859	-
Total deferred inflows of resources		
Net position:		
Investment in capital assets	171,939	-
Unrestricted.	(2,675,441)	2,103,848
	(2,503,502)	2,103,848
Total net position.	\$ (2,503,502)	\$ 2,103,848

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Fund	Service Fund
Operating revenues:		
Sales	\$ 439,354	\$ -
Charges for services	-	9,675,601
Other	51,633	-
Total operating revenues	490,987	9,675,601
Operating expenses:		
Personal services.	1,210,870	80,888
Purchased services.	2,057,006	615,584
Materials and supplies	145,005	-
Other.	-	476,985
Claims	-	8,341,653
Depreciation	64,395	-
Total operating expenses.	3,477,276	9,515,110
Operating income (loss)	(2,986,289)	160,491
Nonoperating revenues:		
Grants and subsidies.	2,897,438	-
Interest revenue	-	50,830
Total nonoperating revenues.	2,897,438	50,830
Income (loss) before transfers	(88,851)	211,321
Transfer in	79,595	-
Change in net position	(9,256)	211,321
Net position at beginning of year.	(2,494,246)	1,892,527
Net position at end of year	\$ (2,503,502)	\$ 2,103,848

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, 2019

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from sales	\$ 436,765	\$ -
Cash received from charges for services.	-	9,675,601
Cash payments to employees	(803,817)	(57,977)
Cash payments for employee benefits	(405,582)	(23,560)
Cash payments for goods and services	(1,811,766)	(608,647)
Cash payments for claims	-	(8,617,564)
Cash payments for other expenses	-	(476,435)
	<u>(2,584,400)</u>	<u>(108,582)</u>
Net cash provided by (used in) operating activities . . .		
Cash flows from noncapital financing activities:		
Cash received from grants and subsidies.	2,713,671	-
Cash received from transfers in	79,595	-
Cash received from interfund loans	12,000	-
Cash used in repayment of interfund loans.	(218,550)	-
	<u>2,586,716</u>	<u>-</u>
Net cash provided by noncapital financing activities . .		
Cash flows from investing activities:		
Interest received	-	50,830
	<u>-</u>	<u>50,830</u>
Net increase (decrease) in cash and cash equivalents . . .	2,316	(57,752)
Cash and cash equivalents at beginning of year . . .	7,444	2,599,147
Cash and cash equivalents at end of year	\$ 9,760	\$ 2,541,395
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (2,986,289)	\$ 160,491
Adjustments:		
Depreciation.	64,395	-
Federal donated commodities	172,070	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) in materials and supplies inventory	(6,640)	-
(Increase) in inventory held for resale	(20,425)	-
(Increase) in accounts receivable.	(54,222)	-
(Increase) decrease in deferred outflows - pension. . .	(27,230)	-
(Increase) decrease in deferred outflows - OPEB. . .	(46,717)	-
Increase in net pension liability	14,552	-
Increase in net OPEB liability	66,686	-
(Decrease) in deferred inflows - pension.	(18,195)	-
(Decrease) in deferred inflows - OPEB.	(31,338)	-
Increase in accounts payable	245,240	7,487
Increase (decrease) in accrued wages and benefits . .	15,936	(190)
Increase (decrease) in intergovernmental payable. . .	24,500	(864)
Increase in compensated absences payable.	3,277	405
(Decrease) in claims payable	-	(275,911)
	<u>(2,584,400)</u>	<u>(108,582)</u>
Net cash provided by (used in) operating activities . .		

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 519,575	\$ 235,134
Liabilities:		
Accounts payable	-	\$ 3,126
Intergovernmental payable	-	14,247
Due to students	-	217,761
Total liabilities	-	\$ 235,134
Net position:		
Held in trust for scholarships	519,575	
Total net position	\$ 519,575	

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, 2019

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 1,885
Gifts and contributions	37,427
Total additions	39,312
 Deductions:	
Scholarships awarded	31,841
Change in net position	7,471
Net position at beginning of year	512,104
Net position at end of year	\$ 519,575

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

The Elyria City School District (the “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 District is a school district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the 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 District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Elyria City School District, this includes general operations, food service and student related activities of the District.

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

The following organization is described due to its relationship to the District.

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 2019, the District contributed \$133,029 to META.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District's significant accounting policies are described below.

A. Basis of Presentation

The 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.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the 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 District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities and for the business-type activities of the 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 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 District.

Fund Financial Statements - During the year, the District segregates transactions related to certain 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 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.

B. Fund Accounting

The 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following are the District's major governmental funds:

General fund - The general fund is the operating fund of the 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 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.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) financial resources that are restricted, committed or assigned to expenditure for principal and interest, and (c) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

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 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 District's enterprise fund is:

Lunchroom/Cafeteria fund - This fund accounts for the financial transactions related to the food service operations of the 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 District, or to other governments, on a cost reimbursement basis. The 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 District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for Ohio High School Athletic Association (OHSAA) events and student activities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the 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 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.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are 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 District, available means expected to be received within sixty days of fiscal year end.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants and entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange 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 Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents 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 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 11 and 12.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements 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 District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the 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 District unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Notes 11 and 12 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgetary Data

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

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

The appropriation resolution is subject to amendment by the Board throughout the 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.

F. Cash and Investments

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

During fiscal year 2019, investments were limited to Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bank (FFCB) securities, negotiable certificates of deposit (negotiable CD's), commercial paper, U.S. government money market mutual funds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value which is based on quoted market prices.

During fiscal year 2019, the District invested in STAR Ohio. STAR 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 District measures its 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For the fiscal year 2019, there were no limitation 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. 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 2019 amounted to \$666,735, which includes \$121,921 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Donated commodities are presented at their entitlement value. Inventories are accounted for using the purchase method on the fund financial statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the government activities column of the government-wide statement of net 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Land improvements	20 years	N/A
Buildings and improvements	20 - 50 years	N/A
Furniture and equipment	5 - 20 years	5 - 20 years
Vehicles	8 years	N/A
Library and textbooks	6 years	N/A

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans to cover negative fund cash balances are classified as “interfund loans receivable/payable”. These amounts are eliminated in the governmental activities column on the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

J. 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 District’s past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

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

K. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. 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 are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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 District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the 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 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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2019, there was no net position restricted by enabling legislation.

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

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

O. Estimates

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

P. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. 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 basic financial statements.

R. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/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.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2019.

T. Fair Value Measurements

The 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.

U. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2019, the District has implemented GASB Statement No. 83, “Certain Asset Retirement Obligations” and GASB Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements”.

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District; however, certain debt disclosures in Note 9 have been modified to conform to the new requirements.

B. Deficit Fund Balances/Net Position

Fund balances/net position at June 30, 2019 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Public School Preschool	\$ 11,560
IDEA, Part B	104,020
Title I - School Improvement	1,349
Title I	113,476
Preschool Handicapped Grant	3,475
Improving Teacher Quality	24,427
Miscellaneous Federal Grants	<u>20,559</u>
	<u>\$ 278,866</u>
 Nonmajor enterprise fund	 <u>\$ 2,503,502</u>

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances/net position resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the 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 District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the 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;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the 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, 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

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

A. Cash on hand

At fiscal year end, the District had \$475 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2019, the carrying amount of all District deposits was \$8,025,789 and the bank balance of all District deposits was \$8,483,290. Of the bank balance, \$3,429,619 was covered by the FDIC, \$2,571,051 was covered by the Ohio Pooled Collateral System, and \$2,482,620 was exposed to custodial credit risk discussed below because those deposits were uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The 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 District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) 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. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, one of the District's financial institutions was approved for a collateral rate of 102 percent and two of the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2019, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities		
		Less than 1 Year	1 to 3 Years	Greater than 3 Years
<i>Fair Value:</i>				
FFCB	\$ 3,026,042	\$ 2,777,214	\$ 248,828	\$ -
FHLMC	5,751,764	2,524,068	2,872,433	355,263
FNMA	5,887,712	1,279,681	4,608,031	-
FHLB	15,355,278	9,128,105	6,227,173	-
Negotiable CD's	11,267,060	7,552,148	3,217,423	497,489
Commercial paper	19,785,574	19,785,574	-	-
U.S. government money market mutual funds	12,849,056	12,849,056	-	-
<i>Net Asset Value:</i>				
STAR Ohio	<u>12,614,387</u>	<u>12,614,387</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 86,536,873</u>	<u>\$ 68,510,233</u>	<u>\$ 17,173,888</u>	<u>\$ 852,752</u>

The weighted average maturity of the investments is 0.59 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FFCB, FHLMC, FNMA, FHLB), negotiable CD's, and commercial paper are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The District's investments in federal securities were rated AA+ and AAA by Standard & Poor's and Moody's Investor Services, respectively. The investments in commercial paper were rated A1 and A1+ by Standard & Poor's and P1 by Moody's. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CDs were not rated and are covered by FDIC. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, U.S. Government money market mutual funds, negotiable CD's, and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type at June 30, 2019:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FHLB	\$ 3,026,042	3.50
FFCB	5,751,764	6.65
FHLMC	5,887,712	6.80
FNMA	15,355,278	17.74
Negotiable CD's	11,267,060	13.02
Commercial paper	19,785,574	22.86
U.S. government money market mutual fund	12,849,056	14.85
<i>Net Asset Value:</i>		
STAR Ohio	<u>12,614,387</u>	<u>14.58</u>
Total	<u>\$ 86,536,873</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 8,025,789
Investments	86,536,873
Cash on hand	<u>475</u>
Total	<u>\$ 94,563,137</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 93,798,668
Business-type activities	9,760
Private-purpose trust fund	519,575
Agency funds	<u>235,134</u>
Total	<u>\$ 94,563,137</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended June 30, 2019, consisted of the following, as reported on the fund financial statements:

<u>Transfer from general fund to:</u>	<u>Amount</u>
Nonmajor enterprise fund	\$ 79,595
 <u>Transfer from nonmajor governmental fund to:</u>	
Classroom facilities fund	<u>373,735</u>
Total	<u>\$ 453,330</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The transfer from the building fund (a nonmajor governmental fund) to the classroom facilities fund was to finance continued capital improvements.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide statement of activities.

- B.** Interfund balances at June 30, 2019 as reported on the fund financial statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 326,519
General	Nonmajor enterprise funds	<u>12,000</u>
		<u>\$ 338,519</u>

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements. The interfund balances between governmental funds and proprietary funds at June 30, 2019 are reported as “internal balance” on the statement of net position.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the 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 property and public utility property. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. 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 revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 6 - PROPERTY TAXES - (Continued)

The District receives property taxes from Lorain County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 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, 2019 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.

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.

The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second Half Collections		2019 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 771,665,600	95.32	\$ 815,967,630	95.37
Public utility personal	<u>37,890,370</u>	<u>4.68</u>	<u>39,580,360</u>	<u>4.63</u>
Total	<u>\$ 809,555,970</u>	<u>100.00</u>	<u>\$ 855,547,990</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 75.64		\$ 74.89	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2019 consisted of property taxes, accrued interest, accounts (billings for user charged services), and intergovernmental grants and entitlements. 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. A summary of the principal items of receivables reported on the statement of net position follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Property taxes	\$ 40,844,109	\$ -
Accounts	199,063	54,222
Intergovernmental	67,167,490	121,556
Accrued interest	<u>130,637</u>	<u>-</u>
Total	<u>\$ 108,341,299</u>	<u>\$ 175,778</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 7 – RECEIVABLES - (Continued)

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year except for \$64,344,625 of the governmental activities intergovernmental receivable which represents the District's Ohio Facilities Construction Commission project receivable. This amount will be collected over the life of the construction project.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the governmental activities for the fiscal year ended June 30, 2019 follows:

	<u>Balance</u> <u>06/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/19</u>
<u>Governmental activities:</u>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 9,151,222	\$ -	\$ (14,800)	\$ 9,136,422
Construction in progress	<u>11,502,087</u>	<u>19,870,067</u>	<u>-</u>	<u>31,372,154</u>
Total capital assets, not being depreciated	<u>20,653,309</u>	<u>19,870,067</u>	<u>(14,800)</u>	<u>40,508,576</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,191,755	-	(20,162)	2,171,593
Buildings and improvements	83,294,667	40,462	(722,686)	82,612,443
Equipment and furniture	7,250,392	70,058	(292,394)	7,028,056
Vehicles	418,109	32,484	-	450,593
Library books	<u>1,755,417</u>	<u>-</u>	<u>(32,456)</u>	<u>1,722,961</u>
Total capital assets, being depreciated	<u>94,910,340</u>	<u>143,004</u>	<u>(1,067,698)</u>	<u>93,985,646</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,716,110)	(54,235)	20,162	(1,750,183)
Buildings and improvements	(33,021,365)	(2,147,901)	721,381	(34,447,885)
Equipment and furniture	(6,393,939)	(579,594)	291,790	(6,681,743)
Vehicles	(257,279)	(36,730)	-	(294,009)
Library books	<u>(1,160,870)</u>	<u>(129,074)</u>	<u>32,456</u>	<u>(1,257,488)</u>
Total accumulated depreciation	<u>(42,549,563)</u>	<u>(2,947,534)</u>	<u>1,065,789</u>	<u>(44,431,308)</u>
Governmental activities capital assets, net	<u>\$ 73,014,086</u>	<u>\$ 17,065,537</u>	<u>\$ (16,709)</u>	<u>\$ 90,062,914</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 1,158,374
Special	113,442
<u>Support services:</u>	
Pupil	95,670
Instructional staff	40,961
Administration	112,577
Operations and maintenance	883,490
Central	16,491
Operation of non-instructional services:	
Community services	18,891
Extracurricular activities	<u>507,638</u>
Total depreciation expense	<u>\$ 2,947,534</u>

Capital asset activity for the business-type activities for the fiscal year ended June 30, 2019 follows:

	<u>Balance</u> <u>06/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/19</u>
<u>Business-type Activities</u>				
<i>Capital assets, being depreciated:</i>				
Equipment and furniture	\$ 1,015,757	\$ -	\$ (1,639)	\$ 1,014,118
<i>Less: accumulated depreciation</i>				
Equipment and furniture	<u>(779,423)</u>	<u>(64,395)</u>	<u>1,639</u>	<u>(842,179)</u>
Business-type activities, Capital Assets, Net	<u>\$ 236,334</u>	<u>\$ (64,395)</u>	<u>\$ -</u>	<u>\$ 171,939</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9 - LONG-TERM OBLIGATIONS

During the fiscal year 2019, the following changes occurred in the governmental activities long-term obligations.

	<u>Balance</u> <u>06/30/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/19</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
Governmental activities:					
General obligation bonds:					
2014 Refunding Bonds					
Serial Bond	\$ 8,345,000	\$ -	\$ (85,000)	\$ 8,260,000	\$ 90,000
Capital Appreciation Bonds	34,838	-	-	34,838	-
Accretion on Bonds	129,086	34,670	-	163,756	-
Premium on Bonds	851,763	-	(60,841)	790,922	-
2015 Refunding Bonds					
Serial Bond	29,395,000	-	(1,345,000)	28,050,000	1,000,000
Capital Appreciation Bonds	243,938	-	-	243,938	85,622
Accretion on Bonds	558,884	352,280	-	911,164	399,378
Premium on Bonds	3,123,138	-	(173,507)	2,949,631	-
2017 Classroom Facilities Bonds					
Serial Bond	48,765,000	-	(810,000)	47,955,000	825,000
Premium on Bonds	2,834,956	-	(83,381)	2,751,575	-
Discount on Bonds	(453,060)	13,326	-	(439,734)	-
2017 Insured BQ Bonds					
Serial Bond	7,665,000	-	(10,000)	7,655,000	10,000
Term Bond	1,445,000	-	-	1,445,000	-
Term Bond	225,000	-	-	225,000	-
Premium on Bonds	551,595	-	(19,020)	532,575	-
Other Long Term Debt:					
Honeywell Energy from					
Direct Borrowing	773,128	-	(510,183)	262,945	262,945
Qualified Zone Academy Bond					
from Direct Borrowing	450,000	-	(85,000)	365,000	90,000
Total General Obligation Bonds	<u>104,938,266</u>	<u>400,276</u>	<u>(3,181,932)</u>	<u>102,156,610</u>	<u>2,762,945</u>
Net Pension/OPEB Liability:					
Pension	87,499,153	-	(4,615,432)	82,883,721	-
OPEB	19,228,858	244,872	(11,632,729)	7,841,001	-
Total Net Pension/OPEB Liability	<u>106,728,011</u>	<u>244,872</u>	<u>(16,248,161)</u>	<u>90,724,722</u>	<u>-</u>
Other Long-Term Liabilities:					
Compensated Absences Payable	5,540,167	317,444	(380,575)	5,477,036	559,914
Total Long-Term Liabilities	<u>\$ 217,206,444</u>	<u>\$ 962,592</u>	<u>\$ (19,810,668)</u>	<u>\$ 198,358,368</u>	<u>\$ 3,322,859</u>
Business-Type Activities:					
Net Pension Liability	\$ 1,648,967	\$ 14,552	\$ -	\$ 1,663,519	\$ -
Net OPEB Liability	751,265	66,686	-	817,951	-
Compensated Absences Payable	43,589	3,277	-	46,866	2,158
Total Business-Type Activities	<u>\$ 2,443,821</u>	<u>\$ 84,515</u>	<u>\$ -</u>	<u>\$ 2,528,336</u>	<u>\$ 2,158</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

All general obligation bonds are being repaid from the bond retirement fund (a nonmajor governmental fund).

2014 Classroom Facilities and School Improvement Refunding Bonds

In October 2014, the District issued \$8,619,838 in refunding general obligation bonds. The proceeds of the bonds were used to refund \$8,620,000 of the 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, 2019, none of the defeased debt was 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 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 District issued \$31,823,938 in refunding general obligation bonds. The proceeds of the bonds were used to refund \$31,825,000 of the 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, 2019, none of the defeased debt was 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.

The serial bonds were issued with a varying interest rate of 1% - 4%. The current interests 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 District either in whole or in part (as selected by the District) on any date and in whole multiples of \$5,000, at par, plus accrued interest to the redemption date.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The term bond was issued with an interest rate 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):

<u>Year</u>	<u>Principal Amount</u>
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 it 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 District issued \$50,040,000 in general obligation bonds with a varying interest rate of 2.5 - 5%. 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 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 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.

Honeywell Energy

In September 2004, the District signed an agreement with Honeywell International, Inc. for improvements to lightning, 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 is a direct borrowing and was issued for a 15 year period with final maturity at July 31, 2019. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. The Honeywell Energy obligation is being retired from the general fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Qualified Zone Academy Bond (QZAB)

In October 2007, the District signed an agreement with Zion National Bank for equipment for \$1,225,000 with an interest rate of 1.95%. The agreement is a direct borrowing and was issued for a 15 year period with final maturity at October 31, 2022. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. The QZAB is being retired from the general fund.

Net Pension Liability and Net OPEB Liability

The District pays obligations related to employee compensation from the fund benefitting from their service which, for the District, is primarily the general 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 11 and 12.

Compensated Absences

Compensated absences will be paid from the general fund and the nonmajor enterprise fund. The District pays obligations related to employee compensation from the fund benefitting from their service

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire general obligation bonds, capital appreciation bonds and other debt outstanding at June 30, 2019 are as follows:

Fiscal Year Ending	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Accretion	Total
2020	\$ 1,925,000	\$ 3,725,237	\$ 5,650,237	\$ 85,622	\$ 399,378	\$ 485,000
2021	1,945,000	3,680,588	5,625,588	61,964	443,036	505,000
2022	1,720,000	3,627,987	5,347,987	65,666	704,334	770,000
2023	1,910,000	3,571,326	5,481,326	34,838	725,162	760,000
2024	1,995,000	3,513,087	5,508,087	30,686	714,314	745,000
2025 - 2029	15,835,000	15,886,038	31,721,038	-	-	-
2030 - 2034	20,750,000	12,091,537	32,841,537	-	-	-
2035 - 2039	15,110,000	8,143,144	23,253,144	-	-	-
2040 - 2044	10,365,000	5,750,000	16,115,000	-	-	-
2045 - 2049	12,955,000	3,152,300	16,107,300	-	-	-
2050 - 2052	9,080,000	554,200	9,634,200	-	-	-
Total	\$ 93,590,000	\$ 63,695,444	\$ 157,285,444	\$ 278,776	\$ 2,986,224	\$ 3,265,000

Fiscal Year Ending	Other Long-Term Debt			Total		
	Principal	Interest	Total	Principal	Interest/ Accretion	Total
2020	\$ 352,945	\$ 12,495	\$ 365,440	\$ 2,363,567	\$ 4,137,110	\$ 6,500,677
2021	90,000	5,363	95,363	2,096,964	4,128,987	6,225,951
2022	90,000	3,608	93,608	1,875,666	4,335,929	6,211,595
2023	95,000	1,833	96,833	2,039,838	4,298,321	6,338,159
2024	-	-	-	2,025,686	4,227,401	6,253,087
2025 - 2029	-	-	-	15,835,000	15,886,038	31,721,038
2030 - 2034	-	-	-	20,750,000	12,091,537	32,841,537
2035 - 2039	-	-	-	15,110,000	8,143,144	23,253,144
2040 - 2044	-	-	-	10,365,000	5,750,000	16,115,000
2045 - 2049	-	-	-	12,955,000	3,152,300	16,107,300
2050 - 2053	-	-	-	9,080,000	554,200	9,634,200
Total	\$ 627,945	\$ 23,299	\$ 651,244	\$ 94,496,721	\$ 66,704,967	\$ 161,201,688

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2019, the District contracted with Argonaut Insurance Company for property insurance. Professional liability is protected by Argonaut Insurance Company with \$1,000,000 aggregate limit.

The Treasurer is covered by a surety bond with Cincinnati Insurance Company. The 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 District participates in the Ohio School Board Association Worker’s 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 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 District has established a medical self-insurance fund for District employees and their covered dependents, in order to minimize the annual cost of medical insurance. The program is administered by the 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 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 \$405,668 reported in the self-insurance fund at June 30, 2019 is based on the liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The amount was based on an estimate provided by the third-party administrator. The change in the liability for the last two years is presented in the following table.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2019	\$ 681,579	\$ 8,341,653	\$ 8,617,564	\$ 405,668
2018	334,260	8,187,219	7,839,900	681,579

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - 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 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.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the 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 - The District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or 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; or 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 years of service; 2.2% for the first thirty 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.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the 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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,444,218 for fiscal year 2019. Of this amount, \$175,022 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers 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 website at www.strsoh.org.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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 will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or 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 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% 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 fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$5,016,007 for fiscal year 2019. Of this amount, \$870,628 is reported as an intergovernmental payable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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 prior measurement date	0.30665320%	0.29815041%	
Proportion of the net pension liability current measurement date	<u>0.30748550%</u>	<u>0.30442843%</u>	
Change in proportionate share	<u>0.00083230%</u>	<u>0.00627802%</u>	
Proportionate share of the net pension liability	\$ 17,610,264	\$ 66,936,976	\$ 84,547,240
Pension expense	\$ 1,398,427	\$ 5,873,960	\$ 7,272,387

Of the District's total pension expense of \$7,272,387, \$7,166,835 is reported in the governmental activities and \$105,552 is reported in the business-type activities.

At June 30, 2019, the 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	\$ 965,814	\$ 1,545,110	\$ 2,510,924
Changes of assumptions	397,679	11,862,494	12,260,173
Difference between District contributions and proportionate share of contributions/ change in proportionate share	105,143	1,027,669	1,132,812
District contributions subsequent to the measurement date	<u>1,444,218</u>	<u>5,016,007</u>	<u>6,460,225</u>
Total deferred outflows of resources	<u>\$ 2,912,854</u>	<u>\$ 19,451,280</u>	<u>\$ 22,364,134</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 437,139	\$ 437,139
Net difference between projected and actual earnings on pension plan investments	487,927	4,058,988	4,546,915
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>121,809</u>	<u>1,858,822</u>	<u>1,980,631</u>
Total deferred inflows of resources	<u>\$ 609,736</u>	<u>\$ 6,354,949</u>	<u>\$ 6,964,685</u>

\$6,460,225 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Of the total contributions made subsequent to the measurement date, \$6,323,800 relates to governmental activities and \$136,425 relates to business-type activities. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$ 1,305,500	\$ 5,184,811	\$ 6,490,311
2021	280,962	3,218,306	3,499,268
2022	(577,920)	310,031	(267,889)
2023	<u>(149,642)</u>	<u>(632,824)</u>	<u>(782,466)</u>
Total	<u>\$ 858,900</u>	<u>\$ 8,080,324</u>	<u>\$ 8,939,224</u>

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 termination). 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2018, the mortality rates were based on 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 was 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 most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined 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 a 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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	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>	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 earning 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 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 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%)
District's proportionate share of the net pension liability	\$ 24,805,385	\$ 17,610,264	\$ 11,577,637

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below:

	July 1, 2018
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)	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, 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, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

STRS Ohio's 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:

Asset Class	Target Allocation**	Long Term Expected Real Rate of Return *
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
Total	<u>100.00 %</u>	

*10-Year 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.

**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.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the 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 rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 97,752,642	\$ 66,936,976	\$ 40,855,696

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability/asset 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/asset represents the 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/asset 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.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the 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/asset. Resulting adjustments to the net OPEB liability/asset 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* or *net OPEB asset* 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 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 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 2019, 0.5% 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 2019, this amount was \$21,600.

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 2019, the District's surcharge obligation was \$195,167.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$248,657 for fiscal year 2019. Of this amount, \$201,649 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, 2019, STRS did not allocate any employer contributions to post-employment health care.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the 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 prior measurement date	0.31103620%	0.29815041%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.31211640%</u>	<u>0.30442843%</u>	
Change in proportionate share	<u>0.00108020%</u>	<u>0.00627802%</u>	
Proportionate share of the net OPEB liability	\$ 8,658,952	\$ -	\$ 8,658,952
Proportionate share of the net OPEB asset	\$ -	\$ (4,891,854)	\$ (4,891,854)
OPEB expense	\$ 405,236	\$ (10,611,248)	\$ (10,206,012)

Of the District's total OPEB expense of (\$10,206,012), (\$10,218,132) is reported in the governmental activities and \$12,120 is reported in the business-type activities.

At June 30, 2019, the 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	\$ 141,344	\$ 571,378	\$ 712,722
Difference between District contributions and proportionate share of contributions/change in proportionate share	64,630	223,719	288,349
District contributions subsequent to the measurement date	<u>248,657</u>	<u>-</u>	<u>248,657</u>
Total deferred outflows of resources	<u>\$ 454,631</u>	<u>\$ 795,097</u>	<u>\$ 1,249,728</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 285,015	\$ 285,015
Net difference between projected and actual earnings on pension plan investments	12,992	558,852	571,844
Changes of assumptions	777,942	6,665,541	7,443,483
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>137,471</u>	<u>191,123</u>	<u>328,594</u>
Total deferred inflows of resources	<u>\$ 928,405</u>	<u>\$ 7,700,531</u>	<u>\$ 8,628,936</u>

\$248,657 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2020. Of the total contributions made subsequent to the measurement date, \$225,168 relates to governmental activities and \$23,489 relates to business-type activities. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	\$ (338,826)	\$ (1,243,109)	\$ (1,581,935)
2021	(266,592)	(1,243,109)	(1,509,701)
2022	(37,848)	(1,243,108)	(1,280,956)
2023	(32,320)	(1,116,189)	(1,148,509)
2024	(33,218)	(1,071,665)	(1,104,883)
Thereafter	<u>(13,627)</u>	<u>(988,254)</u>	<u>(1,001,881)</u>
Total	<u>\$ (722,431)</u>	<u>\$ (6,905,434)</u>	<u>\$ (7,627,865)</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.

**ELYRIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
Prior measurement date	3.56%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.70%
Prior measurement date	3.63%
Medical trend assumption:	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	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, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. 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, 2026. 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, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the 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 (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	\$ 10,506,958	\$ 8,658,952	\$ 7,195,678

	1% Decrease (6.25 % decreasing to 3.75 %)	Current Trend Rate (7.25 % decreasing to 4.75 %)	1% Increase (8.25 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	\$ 6,986,186	\$ 8,658,952	\$ 10,873,995

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017, are presented below:

	July 1, 2018	July 1, 2017
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%, effective July 1, 2017
Discounted rate of return	7.45%	N/A
Blended discount rate of return	N/A	4.13%
Health care cost trends		6 to 11% initial, 4.50% ultimate
	Initial	Ultimate
Medical		
Pre-Medicare	6.00%	4.00%
Medicare	5.00%	4.00%
Prescription Drug		
Pre-Medicare	8.00%	4.00%
Medicare	-5.23%	4.00%

**ELYRIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 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:

Asset Class	Target Allocation**	Long Term Expected Real Rate of Return *
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
Total	<u>100.00 %</u>	

*10-Year 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.

** 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A 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 projected to be available to make all projected future benefit payments to current plan members.

Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset 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. Also shown is the net OPEB asset 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.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	\$ 4,192,777	\$ 4,891,854	\$ 5,479,395

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 5,446,228	\$ 4,891,854	\$ 4,328,844

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (1,898,914)
Net adjustment for revenue accruals	(36,591)
Net adjustment for expenditure accruals	(1,243,371)
Net adjustment for other sources/uses	(492,085)
Funds budgeted elsewhere **	52,320
Adjustment for encumbrances	1,971,839
GAAP basis	<u>\$ (1,646,802)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the uniform school supplies fund, the rotary - special services fund, the rotary fund, the public school support fund, the intra-district services fund, the unclaimed monies fund, and the termination benefits fund.

NOTE 14 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

C. Foundation Funding

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 2019 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - SET ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance July 1, 2018	\$ -
Current year set-aside requirement	1,073,549
Current year offsets	(390,720)
Prior year offset from bond proceeds	<u>(682,829)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2020	<u>\$ -</u>
Set-aside balance June 30, 2019	<u>\$ -</u>

The 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, 2019 is \$57,639,878.

NOTE 16 - OTHER COMMITMENTS

Contractual Commitments

As a result of projects that were in progress at June 30, 2019, the District had the following outstanding contractual commitments at fiscal year-end:

	<u>Contract Amount</u>	<u>Expenditures inncurred as of June 30, 2019</u>	<u>Amount Remaining on Contract</u>
Stadium	\$ 15,002,511	\$ 14,671,978	\$ 330,533
OFCC Project	60,545,062	16,952,337	43,592,725

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 16 - OTHER COMMITMENTS - (Continued)

Encumbrance Commitments

The District utilizes encumbrance accounting as a 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 District's commitments for encumbrances in the governmental funds, excluding amounts already reported in payables, were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,040,767
Classroom Facilities	17,698,437
Nonmajor governmental funds	<u>10,925,329</u>
Total	<u>\$ 29,664,533</u>

NOTE 17 - 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 effect the District's revenue stream, as they mean that the 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, 2019, the District is impacted by 12 tax abatements through two programs - the Community Reinvestment Area Program and the Enterprise Zone Program.

The Community Reinvestment Area Program (CRA)

The 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 District grants tax abatements of up to 100% of the property tax bill.

The Ohio Enterprise Zone Program (EZ)

The EZ is an economic development tool that provides real estate property tax exemptions to business making investments within the 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 District's enterprise zones have been created under the Ohio Revised Code Section 5709. The 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 District's fiscal year 2019 real estate tax revenues by \$25,916 and \$193,402 under the EZ and CRA, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.30748550%	0.30665320%	0.30819420%	0.29984790%
District's proportionate share of the net pension liability	\$ 17,610,264	\$ 18,321,851	\$ 22,556,972	\$ 17,109,612
District's covered payroll	\$ 10,370,548	\$ 9,070,257	\$ 7,507,800	\$ 8,590,842
District's proportionate share of the net pension liability as a percentage of its covered payroll	169.81%	202.00%	300.45%	199.16%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.29856100%	0.29856100%
\$ 15,110,002	\$ 17,754,464
\$ 7,271,602	\$ 7,575,448
207.79%	234.37%
71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.30442843%	0.29815041%	0.30315357%	0.31167282%
District's proportionate share net pension liability	\$ 66,936,976	\$ 70,826,269	\$ 101,474,638	\$ 86,137,251
District's covered payroll	\$ 35,595,714	\$ 32,075,621	\$ 33,134,236	\$ 32,173,807
District's proportionate share of net pension liability as a percentage of its covered payroll	188.05%	220.81%	306.25%	267.72%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.31017853%	0.31017853%
\$ 75,446,153	\$ 89,870,964
\$ 30,913,908	\$ 33,361,269
244.05%	269.39%
74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,444,218	\$ 1,400,024	\$ 1,269,836	\$ 1,051,092
Contributions in relation to the contractually required contribution	<u>(1,444,218)</u>	<u>(1,400,024)</u>	<u>(1,269,836)</u>	<u>(1,051,092)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,697,911	\$ 10,370,548	\$ 9,070,257	\$ 7,507,800
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,132,273	\$ 1,007,844	\$ 1,048,442	\$ 1,084,414	\$ 1,187,161	\$ 1,347,619
<u>(1,132,273)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,590,842	\$ 7,271,602	\$ 7,575,448	\$ 8,062,558	\$ 9,444,399	\$ 9,952,873
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	\$ 5,016,007	\$ 4,983,400	\$ 4,490,587	\$ 4,638,793
Contributions in relation to the contractually required contribution	(5,016,007)	(4,983,400)	(4,490,587)	(4,638,793)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 35,828,621	\$ 35,595,714	\$ 32,075,621	\$ 33,134,236
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 4,504,333	\$ 4,018,808	\$ 4,336,965	\$ 4,556,929	\$ 4,301,686	\$ 4,653,391
<u>(4,504,333)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 32,173,807	\$ 30,913,908	\$ 33,361,269	\$ 35,053,300	\$ 33,089,892	\$ 35,795,315
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.31211640%	0.31103620%	0.31231996%
District's proportionate share net OPEB liability	\$ 8,658,952	\$ 8,347,394	\$ 8,902,274
District's covered payroll	\$ 10,370,548	\$ 9,070,257	\$ 7,507,800
District's proportionate share of net OPEB liability as a percentage of its covered payroll	83.50%	92.03%	118.57%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.30442843%	0.29815041%	0.30315357%
District's proportionate share net OPEB liability/(asset)	\$ (4,891,854)	\$ 11,632,729	\$ 16,212,732
District's covered payroll	\$ 35,595,714	\$ 32,075,621	\$ 33,134,236
District's proportionate share of net OPEB liability/asset as a percentage of its covered payroll	13.74%	36.27%	48.93%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.30%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 248,657	\$ 221,237	\$ 168,847	\$ 158,031
Contributions in relation to the contractually required contribution	<u>(248,657)</u>	<u>(221,237)</u>	<u>(168,847)</u>	<u>(158,031)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,697,911	\$ 10,370,548	\$ 9,070,257	\$ 7,507,800
Contributions as a percentage of covered payroll	2.32%	2.13%	1.86%	2.10%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 220,331	\$ 164,306	\$ 153,414	\$ 44,510	\$ 40,332	\$ 45,783
<u>(220,331)</u>	<u>(164,306)</u>	<u>(153,414)</u>	<u>(44,510)</u>	<u>(40,332)</u>	<u>(45,783)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,590,842	\$ 7,271,602	\$ 7,575,448	\$ 8,062,558	\$ 9,444,399	\$ 9,952,873
2.56%	2.26%	2.03%	0.55%	0.43%	0.46%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2019	2018	2017	2016
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 35,828,621	\$ 35,595,714	\$ 32,075,621	\$ 33,134,236
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 309,139	\$ 333,613	\$ 350,533	\$ 330,899	\$ 357,953
-	(309,139)	(333,613)	(350,533)	(330,899)	(357,953)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 32,173,807	\$ 30,913,908	\$ 33,361,269	\$ 35,053,300	\$ 33,089,892	\$ 35,795,315
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) 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, (g) mortality among disabled members was updated to 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 and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) 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 (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) 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, (f) 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, (g) mortality among disabled members 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, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients 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. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) 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), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in trend rates from 6.00%-11.00 initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

**ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO**
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for a specific purpose. A description of the District's special revenue funds follows:

*The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

****Uniform School Supplies Fund***

This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

****Rotary - Special Services Fund***

This fund accounts for revenues and expenses made in connection with goods and services provided by the District..

****Rotary Fund***

This fund accounts for revenues and expenses involved in upgrading and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupation or planned occupation.

****Public School Support Fund***

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

****Inter-District Services Fund***

This fund accounts for functions that provide goods or services to other areas within the District.

****Unclaimed Monies Fund***

This fund accounts for revenues and expenses involved in securing unclaimed funds.

****Termination Benefits Fund***

This fund accounts for payments of termination benefits and for paying salaries when the number of pay periods exceed the usual and customary for a year.

Local Grants Fund

This fund accounts for monies received to promote community involvement and to support activities between the school and the community.

Classroom Facilities Maintenance Fund

This fund accounts for proceeds for a special levy for the maintenance of facilities.

Athletic and Music Fund

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

Auxiliary Services Fund

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

Public School Preschool Fund

This fund accounts for State monies received to be used to assist the District in paying the cost of preschool programs for three and four year olds.

Miscellaneous State Grants Fund

This fund accounts for State monies which support academic and enrichment programs for the student body.

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

NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS

Nonmajor Special Revenue Funds - (Continued)

IDEA, Part B Special Education Fund

This fund accounts for federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, 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 revenues which 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 federal monies used for instruction in the child's native language to the extent necessary to allow a child to achieve competence in English.

Title I Fund

This fund accounts for federal revenues used to assist the District in meeting the special needs of educationally deprived children.

Preschool Handicapped Grant Fund

This fund accounts for federal monies which partially support the preschool program focusing on the early education of handicapped children.

Improving Teacher Quality Fund

This fund accounts for various monies to hire additional classroom teachers, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund

This fund accounts for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff developments.

Nonmajor Debt Service Fund

Bond Retirement Fund

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

Nonmajor Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or and other capital assets.

Permanent Improvement Fund

This fund accounts for the acquisition and construction of permanent improvements as authorized by Chapter 5705, Revised Code.

Building Fund

This building fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or and other capital assets.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 2,377,967	\$ 1,983,854	\$ 12,257,301	\$ 16,619,122
Cash and investments in segregated accounts . .	-	2,051,644	-	2,051,644
Receivables:				
Property taxes	388,375	6,235,815	-	6,624,190
Accounts	-	-	32,720	32,720
Accrued interest	2,691	-	18,624	21,315
Intergovernmental	1,831,211	-	-	1,831,211
Total assets	<u>\$ 4,600,244</u>	<u>\$ 10,271,313</u>	<u>\$ 12,308,645</u>	<u>\$ 27,180,202</u>
Liabilities:				
Accounts payable.	\$ 321,896	\$ -	\$ -	\$ 321,896
Contracts payable.	-	-	1,810,170	1,810,170
Retainage payable.	-	-	169,747	169,747
Accrued wages and benefits	617,532	-	-	617,532
Intergovernmental payable	97,134	-	-	97,134
Interfund loans payable.	326,519	-	-	326,519
Total liabilities.	<u>1,363,081</u>	<u>-</u>	<u>1,979,917</u>	<u>3,342,998</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year . .	286,655	4,689,317	-	4,975,972
Delinquent property tax revenue not available . .	28,374	436,886	-	465,260
Intergovernmental revenue not available	1,164,950	-	-	1,164,950
Accrued interest not available	1,486	-	10,287	11,773
Total deferred inflows of resources	<u>1,481,465</u>	<u>5,126,203</u>	<u>10,287</u>	<u>6,617,955</u>
Fund Balances:				
Restricted:				
Debt service	-	5,145,110	-	5,145,110
Capital improvements	-	-	10,318,441	10,318,441
Classroom facilities maintenance	1,588,011	-	-	1,588,011
Non-public schools	35,093	-	-	35,093
Other purposes.	385,624	-	-	385,624
Student activities	25,836	-	-	25,836
Unassigned (deficit).	(278,866)	-	-	(278,866)
Total fund balances	<u>1,755,698</u>	<u>5,145,110</u>	<u>10,318,441</u>	<u>17,219,249</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 4,600,244</u>	<u>\$ 10,271,313</u>	<u>\$ 12,308,645</u>	<u>\$ 27,180,202</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 345,430	\$ 5,647,879	\$ -	\$ 5,993,309
Tuition	26,580	-	-	26,580
Earnings on investments	49,708	-	408,667	458,375
Extracurricular	143,025	-	-	143,025
Contributions and donations	84,834	-	117,720	202,554
Other local revenues	15,268	-	-	15,268
Intergovernmental - intermediate	64,761	-	-	64,761
Intergovernmental - state	1,786,818	438,015	131,026	2,355,859
Intergovernmental - federal	5,111,508	-	-	5,111,508
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	7,627,932	6,085,894	657,413	14,371,239
Expenditures:				
Current:				
Instruction:				
Regular	646,276	-	-	646,276
Special	2,912,025	-	-	2,912,025
Student intervention and other	297,876	-	-	297,876
Support services:				
Pupil	638,647	-	-	638,647
Instructional staff	626,383	-	-	626,383
Administration	492,605	-	-	492,605
Fiscal	7,215	115,122	-	122,337
Operations and maintenance	223,878	-	17,829	241,707
Pupil transportation	1,840	-	-	1,840
Operation of non-instructional services:				
Community services	1,712,522	-	-	1,712,522
Extracurricular activities	180,843	-	-	180,843
Facilities acquisition and construction	-	-	7,363,159	7,363,159
Debt service:				
Principal retirement	-	2,250,000	-	2,250,000
Interest and fiscal charges	-	3,762,375	-	3,762,375
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	7,740,110	6,127,497	7,380,988	21,248,595
Excess of expenditures over revenues	(112,178)	(41,603)	(6,723,575)	(6,877,356)
Other financing uses:				
Transfers out	-	-	(373,735)	(373,735)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(112,178)	(41,603)	(7,097,310)	(7,251,091)
Fund balances at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	1,867,876	5,186,713	17,415,751	24,470,340
Fund balances at end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,755,698	\$ 5,145,110	\$ 10,318,441	\$ 17,219,249

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Local Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>Athletic and Music</u>	<u>Auxiliary Services</u>
Assets:				
Equity in pooled cash and investments	\$ 395,755	\$ 1,517,593	\$ 32,978	\$ 344,167
Receivables:				-
Property taxes.	-	388,375	-	-
Accrued interest	-	2,233	-	458
Intergovernmental	-	-	-	-
Total assets.	<u>\$ 395,755</u>	<u>\$ 1,908,201</u>	<u>\$ 32,978</u>	<u>\$ 344,625</u>
Liabilities:				
Accounts payable.	\$ 10,461	\$ 267	\$ 4,373	\$ 300,256
Accrued wages and benefits	35,280	3,180	-	6,170
Intergovernmental payable	5,799	481	2,769	2,853
Interfund loans payable.	-	-	-	-
Total liabilities.	<u>51,540</u>	<u>3,928</u>	<u>7,142</u>	<u>309,279</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	286,655	-	-
Delinquent property tax revenue not available.	-	28,374	-	-
Intergovernmental revenue not available.	-	-	-	-
Accrued interest not available.	-	1,233	-	253
Total deferred inflows of resources	<u>-</u>	<u>316,262</u>	<u>-</u>	<u>253</u>
Fund Balances:				
Restricted:				
Classroom facilities maintenance	-	1,588,011	-	-
Non-public schools	-	-	-	35,093
Other purposes.	344,215	-	-	-
Student activities.	-	-	25,836	-
Unassigned (deficit).	-	-	-	-
Total fund balances	<u>344,215</u>	<u>1,588,011</u>	<u>25,836</u>	<u>35,093</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 395,755</u>	<u>\$ 1,908,201</u>	<u>\$ 32,978</u>	<u>\$ 344,625</u>

Public School Preschool	Miscellaneous State Grants	IDEA, Part B Special Education	Title I School Improvement	Title III	Title I	Preschool Handicapped Grant
\$ 15,949	\$ 44,306	\$ 265	\$ 234	\$ 29	\$ 3,028	\$ 21
-	-	-	-	-	-	-
-	-	-	-	-	-	-
80,261	79,189	446,790	10,160	9,602	841,544	12,764
<u>\$ 96,210</u>	<u>\$ 123,495</u>	<u>\$ 447,055</u>	<u>\$ 10,394</u>	<u>\$ 9,631</u>	<u>\$ 844,572</u>	<u>\$ 12,785</u>
\$ -	\$ 1,320	\$ 18	\$ -	\$ -	\$ 1,037	\$ -
27,705	10,575	180,657	-	-	275,569	6,258
4,715	1,124	43,694	1,349	-	24,105	724
32,000	5,600	103,200	4,069	1,750	119,900	2,500
64,420	18,619	327,569	5,418	1,750	420,611	9,482
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43,350	63,467	223,506	6,325	7,881	537,437	6,778
-	-	-	-	-	-	-
43,350	63,467	223,506	6,325	7,881	537,437	6,778
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	41,409	-	-	-	-	-
-	-	-	-	-	-	-
(11,560)	-	(104,020)	(1,349)	-	(113,476)	(3,475)
(11,560)	41,409	(104,020)	(1,349)	-	(113,476)	(3,475)
<u>\$ 96,210</u>	<u>\$ 123,495</u>	<u>\$ 447,055</u>	<u>\$ 10,394</u>	<u>\$ 9,631</u>	<u>\$ 844,572</u>	<u>\$ 12,785</u>

(Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019

	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 11,265	\$ 12,377	\$ 2,377,967
Receivables:			
Property taxes.	-	-	388,375
Accrued interest	-	-	2,691
Intergovernmental	<u>226,563</u>	<u>124,338</u>	<u>1,831,211</u>
Total assets.	<u><u>\$ 237,828</u></u>	<u><u>\$ 136,715</u></u>	<u><u>\$ 4,600,244</u></u>
Liabilities:			
Accounts payable.	\$ 1,164	\$ 3,000	\$ 321,896
Accrued wages and benefits	35,441	36,697	617,532
Intergovernmental payable	4,899	4,622	97,134
Interfund loans payable	<u>30,000</u>	<u>27,500</u>	<u>326,519</u>
Total liabilities.	<u>71,504</u>	<u>71,819</u>	<u>1,363,081</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	-	-	286,655
Delinquent property tax revenue not available.	-	-	28,374
Intergovernmental revenue not available.	190,751	85,455	1,164,950
Accrued interest not available.	<u>-</u>	<u>-</u>	<u>1,486</u>
Total deferred inflows of resources	<u>190,751</u>	<u>85,455</u>	<u>1,481,465</u>
Fund Balances:			
Restricted:			
Classroom facilities maintenance	-	-	1,588,011
Non-public schools	-	-	35,093
Other purposes.	-	-	385,624
Student activities.	-	-	25,836
Unassigned (deficit).	<u>(24,427)</u>	<u>(20,559)</u>	<u>(278,866)</u>
Total fund balances	<u>(24,427)</u>	<u>(20,559)</u>	<u>1,755,698</u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 237,828</u></u>	<u><u>\$ 136,715</u></u>	<u><u>\$ 4,600,244</u></u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Local Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>Athletic and Music</u>	<u>Auxiliary Services</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ 345,430	\$ -	\$ -
Tuition	26,580	-	-	-
Earnings on investments	-	41,171	-	8,537
Extracurricular	17,335	-	125,690	-
Contributions and donations	73,202	-	11,632	-
Other local revenues	2,158	-	13,110	-
Intergovernmental - Intermediate	64,761	-	-	-
Intergovernmental - state	-	45,290	-	1,261,112
Intergovernmental - federal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	184,036	431,891	150,432	1,269,649
Expenditures:				
Current:				
Instruction:				
Regular	86,427	-	-	-
Special	249,318	-	-	-
Student intervention and other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	2,740	-	-	-
Administration	12,959	-	-	-
Fiscal	-	7,215	-	-
Operations and maintenance	-	223,878	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Community services	33,243	-	-	1,434,158
Extracurricular activities	10,931	-	169,912	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	395,618	231,093	169,912	1,434,158
Net change in fund balances	(211,582)	200,798	(19,480)	(164,509)
Fund balances (deficit)				
at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	555,797	1,387,213	45,316	199,602
Fund balances (deficit) at end of year . . .	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 344,215	\$ 1,588,011	\$ 25,836	\$ 35,093

Public School Preschool	Miscellaneous State Grants	IDEA, Part B Special Education	Title I School Improvement	Title III	Title I	Preschool Handicapped Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
409,271	71,145	-	-	-	-	-
-	-	1,688,410	91,466	21,501	2,314,410	46,744
<u>409,271</u>	<u>71,145</u>	<u>1,688,410</u>	<u>91,466</u>	<u>21,501</u>	<u>2,314,410</u>	<u>46,744</u>
-	-	-	46,232	18,918	-	-
309,854	17,324	992,192	-	-	1,296,319	47,018
-	12,539	-	-	-	285,337	-
-	5,600	190,411	1,846	-	351,022	-
-	-	-	-	478	264,432	100
55,750	-	361,298	-	-	62,598	-
-	-	-	-	-	-	-
-	-	-	423	-	1,417	-
-	-	146,270	-	-	55,193	-
-	-	-	-	-	-	-
<u>365,604</u>	<u>35,463</u>	<u>1,690,171</u>	<u>48,501</u>	<u>19,396</u>	<u>2,316,318</u>	<u>47,118</u>
43,667	35,682	(1,761)	42,965	2,105	(1,908)	(374)
<u>(55,227)</u>	<u>5,727</u>	<u>(102,259)</u>	<u>(44,314)</u>	<u>(2,105)</u>	<u>(111,568)</u>	<u>(3,101)</u>
<u>\$ (11,560)</u>	<u>\$ 41,409</u>	<u>\$ (104,020)</u>	<u>\$ (1,349)</u>	<u>\$ -</u>	<u>\$ (113,476)</u>	<u>\$ (3,475)</u>

(Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:			
From local sources:			
Property taxes	\$ -	\$ -	\$ 345,430
Tuition	-	-	26,580
Earnings on investments	-	-	49,708
Extracurricular	-	-	143,025
Contributions and donations	-	-	84,834
Other local revenues	-	-	15,268
Intergovernmental - Intermediate	-	-	64,761
Intergovernmental - state	-	-	1,786,818
Intergovernmental - federal	289,962	659,015	5,111,508
	<u>289,962</u>	<u>659,015</u>	<u>5,111,508</u>
 Total revenue.	<u>289,962</u>	<u>659,015</u>	<u>7,627,932</u>
 Expenditures:			
Current:			
Instruction:			
Regular	-	494,699	646,276
Special	-	-	2,912,025
Student intervention and other	-	-	297,876
Support services:			
Pupil	-	89,768	638,647
Instructional staff.	264,634	93,999	626,383
Administration	-	-	492,605
Fiscal	-	-	7,215
Operations and maintenance.	-	-	223,878
Pupil transportation	-	-	1,840
Operation of non-instructional services:			
Community services	39,239	4,419	1,712,522
Extracurricular activities.	-	-	180,843
	<u>303,873</u>	<u>682,885</u>	<u>7,740,110</u>
 Total expenditures	<u>303,873</u>	<u>682,885</u>	<u>7,740,110</u>
 Net change in fund balances	<u>(13,911)</u>	<u>(23,870)</u>	<u>(112,178)</u>
 Fund balances (deficit)			
at beginning of year	<u>(10,516)</u>	<u>3,311</u>	<u>1,867,876</u>
 Fund balances (deficit) at end of year	<u>\$ (24,427)</u>	<u>\$ (20,559)</u>	<u>\$ 1,755,698</u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	Permanent Improvement	Building	Total Nonmajor Capital Project Funds
Assets:			
Equity in pooled cash and investments	\$ 972,290	\$ 11,285,011	\$ 12,257,301
Receivables:			
Accounts	32,720	-	32,720
Accrued interest	-	18,624	18,624
Total assets.	\$ 1,005,010	\$ 11,303,635	\$ 12,308,645
 Liabilities:			
Contracts payable.	\$ 118,580	\$ 1,691,590	\$ 1,810,170
Retainage payable.	-	169,747	169,747
Total liabilities.	118,580	1,861,337	1,979,917
 Deferred inflows of resources:			
Accrued interest not available	-	10,287	10,287
Total deferred inflows of resources	-	10,287	10,287
 Fund Balances:			
Restricted:			
Capital improvements	886,430	9,432,011	10,318,441
Total fund balances	886,430	9,432,011	10,318,441
Total liabilities, deferred inflows and fund balances .	\$ 1,005,010	\$ 11,303,635	\$ 12,308,645

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Permanent Improvement	Building	Total Nonmajor Capital Project Funds
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ 408,667	\$ 408,667
Contributions and donations	117,720	-	117,720
Intergovernmental - state	131,026	-	131,026
	<u>248,746</u>	<u>408,667</u>	<u>657,413</u>
Expenditures:			
Current:			
Support services:			
Operations and maintenance.	17,829	-	17,829
Facilities acquisition and construction	163,580	7,199,579	7,363,159
	<u>181,409</u>	<u>7,199,579</u>	<u>7,380,988</u>
Excess (deficiency) of revenues over (under) expenditures	67,337	(6,790,912)	(6,723,575)
Other financing uses:			
Transfers out.	-	(373,735)	(373,735)
Net change in fund balances	67,337	(7,164,647)	(7,097,310)
Fund balances at beginning of year	<u>819,093</u>	<u>16,596,658</u>	<u>17,415,751</u>
Fund balances at end of year	<u>\$ 886,430</u>	<u>\$ 9,432,011</u>	<u>\$ 10,318,441</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Classroom materials and fees	\$ 59,990	\$ 61,497	\$ 1,507
Expenditures:			
Current:			
Instruction:			
Regular	90,390	87,423	2,967
Net change in fund balance	(30,400)	(25,926)	4,474
Fund balance at beginning of year	40,376	40,376	-
Prior year encumbrances appropriated	2,150	2,150	-
Fund balance at end of year.	\$ 12,126	\$ 16,600	\$ 4,474

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROTARY - SPECIAL SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Contributions and donations	\$ -	\$ 200	\$ 200
Other local revenue	40,000	38,356	(1,644)
Total revenues.	<u>40,000</u>	<u>38,556</u>	<u>(1,444)</u>
Expenditures:			
Current:			
Support services:			
Operations and maintenance	335	-	335
Central	22,491	16,264	6,227
Operation of non-instructional services:			
Community services	42,218	23,727	18,491
Total expenditures	<u>65,044</u>	<u>39,991</u>	<u>25,053</u>
Net change in fund balance	(25,044)	(1,435)	23,609
Fund balance at beginning of year	74,329	74,329	-
Prior year encumbrances appropriated . .	3,137	3,137	-
Fund balance at end of year.	<u>\$ 52,422</u>	<u>\$ 76,031</u>	<u>\$ 23,609</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROTARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Extracurricular	\$ 1,000	\$ 369	\$ (631)
Expenditures:			
Current:			
Instruction:			
Student intervention and other.	283	-	283
Support services:			
Extracurricular activities.	3,389	384	3,005
Total expenditures	3,672	384	3,288
Net change in fund balance	(2,672)	(15)	2,657
Fund balance at beginning of year	4,132	4,132	-
Fund balance at end of year	\$ 1,460	\$ 4,117	\$ 2,657

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Extracurricular	\$ 45,800	\$ 94,650	\$ 48,850
Contributions and donations	2,000	14,442	12,442
Other local revenues	31,800	37,141	5,341
Total revenues	<u>79,600</u>	<u>146,233</u>	<u>66,633</u>
Expenditures:			
Current:			
Extracurricular activities	222,745	168,759	53,986
Net change in fund balance	(143,145)	(22,526)	120,619
Fund balance at beginning of year	163,811	163,811	-
Prior year encumbrances appropriated	2,161	2,161	-
Fund balance at end of year	<u>\$ 22,827</u>	<u>\$ 143,446</u>	<u>\$ 120,619</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTER-DISTRICT SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund balance at beginning of year	\$ 54,537	\$ 54,537	\$ -
Fund balance at end of year	\$ 54,537	\$ 54,537	\$ -

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNCLAIMED MONIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Support services:			
Administration	\$ -	\$ 404	\$ (404)
Net change in fund balance	-	(404)	(404)
Fund balance at beginning of year	7,350	7,350	-
Fund balance at end of year.	\$ 7,350	\$ 6,946	\$ (404)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TERMINATION BENEFITS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Current:			
Instruction:			
Regular	\$ 311,307	\$ 329,405	\$ (18,098)
Support services:			
Instructional staff	59,949	42,668	17,281
Administration	48,432	42,762	5,670
Total expenditures	419,688	414,835	4,853
Excess of expenditures over revenues	(419,688)	(414,835)	4,853
Other financing sources:			
Transfers in	500,000	500,000	-
Net change in fund balance	80,312	85,165	4,853
Fund balance at beginning of year	248,001	248,001	-
Fund balance at end of year	\$ 328,313	\$ 333,166	\$ 4,853

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Tuition	\$ 20,000	\$ 26,580	\$ 6,580
Extracurricular	16,000	17,335	1,335
Contributions and donations	297,500	323,202	25,702
Other local revenues	-	2,158	2,158
Intergovernmental-intermediate	-	64,762	64,762
Total revenues	<u>333,500</u>	<u>434,037</u>	<u>100,537</u>
Expenditures:			
Current:			
Instruction:			
Regular	104,387	91,810	12,577
Special	343,965	241,623	102,342
Support services:			
Instructional staff	1,209	2,740	(1,531)
Administration	24,307	20,624	3,683
Operation of non-instructional services:			
Community services	28,222	22,866	5,356
Extracurricular activities	12,498	9,188	3,310
Total expenditures	<u>514,588</u>	<u>388,851</u>	<u>125,737</u>
Excess of revenues over (under) expenditures	(181,088)	45,186	226,274
Other financing sources (uses):			
Refund of prior year's (receipts)	-	(10,000)	(10,000)
Net change in fund balance	(181,088)	35,186	216,274
Fund balance at beginning of year	334,249	334,249	-
Prior year encumbrances appropriated	9,197	9,197	-
Fund balance at end of year	<u>\$ 162,358</u>	<u>\$ 378,632</u>	<u>\$ 216,274</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CLASSROOM FACILITIES MAINTENANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Property taxes	\$ 358,778	\$ 350,960	\$ (7,818)
Earnings on investments	10,000	30,776	20,776
Intergovernmental - state	46,000	45,289	(711)
Total revenues.	414,778	427,025	12,247
Expenditures:			
Current:			
Support services:			
Fiscal	-	7,215	(7,215)
Operations and maintenance	249,217	235,007	14,210
Total expenditures	249,217	242,222	6,995
Net change in fund balance.	165,561	184,803	19,242
Fund balance at beginning of year	1,310,485	1,310,485	-
Prior year encumbrances appropriated	7,992	7,992	-
Fund balance at end of year.	\$ 1,484,038	\$ 1,503,280	\$ 19,242

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETIC AND MUSIC FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Extracurricular	\$ 120,000	\$ 125,689	\$ 5,689
Contributions and donations	10,000	11,632	1,632
Other local revenues	11,800	13,110	1,310
Total revenues	<u>141,800</u>	<u>150,431</u>	<u>8,631</u>
Expenditures:			
Current:			
Extracurricular activities	<u>189,441</u>	<u>177,015</u>	<u>12,426</u>
Net change in fund balance	(47,641)	(26,584)	21,057
Fund balance at beginning of year	32,833	32,833	-
Prior year encumbrances appropriated	15,027	15,027	-
Fund balance at end of year	<u><u>\$ 219</u></u>	<u><u>\$ 21,276</u></u>	<u><u>\$ 21,057</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ 6,314	\$ 6,314
Intergovernmental - state	1,266,000	1,261,112	(4,888)
Total revenues	<u>1,266,000</u>	<u>1,267,426</u>	<u>1,426</u>
Expenditures:			
Operation of non-instructional services:			
Community services	1,530,308	1,526,890	3,418
Net change in fund balance	(264,308)	(259,464)	4,844
Fund balance at beginning of year	174,900	174,900	-
Prior year encumbrances appropriated	104,340	104,340	-
Fund balance at end of year	<u>\$ 14,932</u>	<u>\$ 19,776</u>	<u>\$ 4,844</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL PRESCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - state	\$ 372,100	\$ 372,360	\$ 260
Expenditures:			
Current:			
Instruction:			
Special	323,860	323,827	33
Support services:			
Administration	57,243	57,243	-
Total expenditures	<u>381,103</u>	<u>381,070</u>	<u>33</u>
Excess of expenditures over revenues	<u>(9,003)</u>	<u>(8,710)</u>	<u>293</u>
Other financing sources (uses):			
Advances in	32,000	32,000	-
Advances (out)	<u>(66,000)</u>	<u>(66,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(34,000)</u>	<u>(34,000)</u>	<u>-</u>
Net change in fund balance	(43,003)	(42,710)	293
Fund balance at beginning of year	37,393	37,393	-
Prior year encumbrances appropriated	5,667	5,667	-
Fund balance at end of year.	<u>\$ 57</u>	<u>\$ 350</u>	<u>\$ 293</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - state	\$ 55,423	\$ 55,423	\$ -
Expenditures:			
Current:			
Instruction:			
Special	9,999	9,999	-
Student intervention and other	26,000	25,848	152
Support services-pupil			
Pupil	5,718	5,680	38
Operation and maintenance	25,000	24,089	911
Total expenditures	<u>66,717</u>	<u>65,616</u>	<u>1,101</u>
Excess of expenditures over revenues	(11,294)	(10,193)	1,101
Other financing sources:			
Advances in	5,600	5,600	-
Net change in fund balance	(5,694)	(4,593)	1,101
Fund balance at beginning of year	<u>5,728</u>	<u>5,728</u>	<u>-</u>
Fund balance at end of year	<u>\$ 34</u>	<u>\$ 1,135</u>	<u>\$ 1,101</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA, PART B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - federal	\$ 1,688,709	\$ 1,688,709	\$ -
Expenditures:			
Current:			
Instruction:			
Special	980,521	980,521	-
Support services:			
Pupil	171,220	171,220	-
Administration	370,860	370,860	-
Operation of non-instructional services:			
Community services	147,382	147,305	77
Total expenditures	<u>1,669,983</u>	<u>1,669,906</u>	<u>77</u>
Excess of revenues over expenditures	<u>18,726</u>	<u>18,803</u>	<u>77</u>
Other financing sources (uses):			
Advances in	103,200	103,200	-
Advances (out)	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(96,800)</u>	<u>(96,800)</u>	<u>-</u>
Net change in fund balance.	(78,074)	(77,997)	77
Fund balance at beginning of year	77,263	77,263	-
Prior year encumbrances appropriated	981	981	-
Fund balance at end of year.	<u>\$ 170</u>	<u>\$ 247</u>	<u>\$ 77</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I SCHOOL IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental-federal	\$ 91,700	\$ 87,631	\$ (4,069)
Expenditures:			
Current:			
Instruction:			
Regular	46,808	46,808	-
Support services:			
Pupil	2,402	2,184	218
Pupil transportation	818	818	-
Total expenditures	<u>50,028</u>	<u>49,810</u>	<u>-</u>
Excess of revenues over expenditures.	<u>41,672</u>	<u>37,821</u>	<u>(4,069)</u>
Other financing sources (uses):			
Advances in	-	4,069	4,069
Advances (out)	<u>(95,000)</u>	<u>(95,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(95,000)</u>	<u>(90,931)</u>	<u>4,069</u>
Net change in fund balance.	(53,328)	(53,110)	-
Fund balance at beginning of year	52,314	52,314	-
Prior year encumbrances appropriated	1,030	1,030	-
Fund balance at end of year.	<u>\$ 16</u>	<u>\$ 234</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 19,760	\$ 19,779	\$ 19
Expenditures:			
Current:			
Instruction:			
Regular	18,917	18,917	-
Support Services:			
Instructional staff	478	478	-
Total expenditures	<u>19,395</u>	<u>19,395</u>	<u>-</u>
Excess of revenues over expenditures.	<u>365</u>	<u>384</u>	<u>19</u>
Other financing sources (uses):			
Advances in	1,750	1,750	-
Advances (out)	(3,000)	(3,000)	-
Total other financing sources (uses)	<u>(1,250)</u>	<u>(1,250)</u>	<u>-</u>
Net change in fund balance	(885)	(866)	19
Fund balance at beginning of year	<u>895</u>	<u>895</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 10</u>	<u>\$ 29</u>	<u>\$ 19</u>

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE I FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental - federal	\$ 2,459,488	\$ 2,339,619	\$ (119,869)
Expenditures:			
Current:			
Instruction:			
Special	1,306,586	1,306,339	247
Student intervention and other	285,384	285,384	-
Support services:			
Pupil	369,652	369,548	104
Instructional staff	250,905	250,905	-
Administration	62,571	62,571	-
Pupil transportation	2,100	2,025	75
Operation of non-instructional services:			
Community services	55,267	55,192	75
Total expenditures	<u>2,332,465</u>	<u>2,331,964</u>	<u>501</u>
Excess of revenues over expenditures.	<u>127,023</u>	<u>7,655</u>	<u>(119,368)</u>
Other financing sources (uses):			
Advances in	-	119,900	119,900
Advances (out)	(175,000)	(175,000)	-
Total other financing sources (uses)	<u>(175,000)</u>	<u>(55,100)</u>	<u>119,900</u>
Net change in fund balance	(47,977)	(47,445)	532
Fund balance at beginning of year	42,197	42,197	-
Prior year encumbrances appropriated	6,534	6,534	-
Fund balance at end of year.	<u>\$ 754</u>	<u>\$ 1,286</u>	<u>\$ 532</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL HANDICAPPED GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal.	\$ 47,708	\$ 47,116	\$ (592)
Expenditures:			
Current:			
Instruction:			
Special	46,636	46,636	-
Support services:			
Instructional staff	100	100	-
Total expenditures	<u>46,736</u>	<u>46,736</u>	<u>-</u>
Excess of revenues over expenditures.	<u>972</u>	<u>380</u>	<u>(592)</u>
Other financing sources (uses):			
Advances in	1,900	2,500	600
Advances (out).	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,100)</u>	<u>(1,500)</u>	<u>600</u>
Net change in fund balance	(1,128)	(1,120)	8
Fund balance at beginning of year	<u>1,141</u>	<u>1,141</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 13</u>	<u>\$ 21</u>	<u>\$ 8</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 330,000	\$ 303,712	\$ (26,288)
Expenditures:			
Current:			
Support services:			
Instructional staff	259,605	259,605	-
Operation of non-instructional services:			
Community services	48,756	48,756	-
Total expenditures	308,361	308,361	-
Excess of revenues over (under) expenditures	21,639	(4,649)	(26,288)
Other financing sources (uses):			
Advances in	3,500	30,000	26,500
Advances (out)	(40,000)	(40,000)	-
Total other financing sources (uses)	(36,500)	(10,000)	26,500
Net change in fund balance	(14,861)	(14,649)	212
Fund balance at beginning of year	5,488	5,488	-
Prior year encumbrances appropriated	9,547	9,547	-
Fund balance at end of year	\$ 174	\$ 386	\$ 212

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - federal	\$ 658,400	\$ 631,042	\$ (27,358)
Expenditures:			
Current:			
Instructional:			
Regular	454,095	454,120	(25)
Support services:			
Pupils	98,678	98,578	100
Instructional staff	93,999	93,999	-
Pupil transportation	261	261	-
Operation of non-instructional services:			
Community services	4,419	4,419	-
Total expenditures	<u>651,452</u>	<u>651,377</u>	<u>75</u>
Excess of revenues over (under) expenditures .	<u>6,948</u>	<u>(20,335)</u>	<u>(27,283)</u>
Other financing sources (uses):			
Advances in	-	27,500	27,500
Advances (out)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>17,500</u>	<u>27,500</u>
Net change in fund balance	(3,052)	(2,835)	217
Fund balance at beginning of year	2,666	2,666	-
Prior year encumbrances appropriated . . .	486	486	-
Fund balance at end of year	<u>\$ 100</u>	<u>\$ 317</u>	<u>\$ 217</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Property taxes	\$ 5,449,000	\$ 5,686,839	\$ 237,839
Intergovernmental - State	594,809	438,015	(156,794)
Total revenues.	6,043,809	6,124,854	81,045
Expenditures:			
Current:			
Support Services:			
Fiscal.	115,152	115,124	28
Debt service:			
Principal retirement	2,250,000	2,250,000	-
Interest and fiscal charges	3,766,407	3,762,375	4,032
Total expenditures	6,131,559	6,127,499	4,060
Net change in fund balance	(87,750)	(2,645)	85,105
Fund balance at beginning of year	4,038,143	4,038,143	-
Fund balance at end of year.	\$ 3,950,393	\$ 4,035,498	\$ 85,105

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CLASSROOM FACILITIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 711,700	\$ 1,042,120	\$ 330,420
Expenditures:			
Facilities acquisition and construction	29,809,166	29,520,149	289,017
Excess of expenditures over revenues	(29,097,466)	(28,478,029)	619,437
Other financing sources:			
Transfers in	373,000	373,735	735
Net change in fund balance	(28,724,466)	(28,104,294)	620,172
Fund balance at beginning of year	43,892,733	43,892,733	-
Prior year encumbrances appropriated . .	9,609,166	9,609,166	-
Fund balance at end of year.	<u>\$ 24,777,433</u>	<u>\$ 25,397,605</u>	<u>\$ 620,172</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Contributions and donations	\$ 5,000	\$ -	\$ (5,000)
Other local revenues	-	85,000	85,000
Intergovernmental - state	20,000	131,026	111,026
Total revenues	<u>25,000</u>	<u>216,026</u>	<u>191,026</u>
Expenditures:			
Current:			
Support Services:			
Operations and maintenance	22,100	17,829	4,271
Facilities acquisition and construction	365,355	364,937	418
Total expenditures	<u>387,455</u>	<u>382,766</u>	<u>-</u>
Net change in fund balance	(362,455)	(166,740)	191,026
Fund balance at beginning of year	819,091	819,091	-
Fund balance at end of year	<u>\$ 456,636</u>	<u>\$ 652,351</u>	<u>\$ 191,026</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
Earnings on investments	\$ 215,000	\$ 256,718	\$ 41,718
Expenditures:			
Facilities acquisition and construction.	18,798,633	18,856,832	(58,199)
Excess of revenues (under) expenditures	(18,583,633)	(18,600,114)	(16,481)
Other financing uses:			
Transfers (out).	(747,342)	(373,735)	373,607
Net change in fund balance	(19,330,975)	(18,973,849)	357,126
Fund balance at beginning of year	13,144,056	13,144,056	-
Prior year encumbrances appropriated	6,187,703	6,187,703	-
Fund balance at end of year.	\$ 784	\$ 357,910	\$ 357,126

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
PROPRIETARY FUND DESCRIPTION

Enterprise Fund

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered quickly through user charges. This fund can also account for operations where the school board has decided that periodic determination of revenues earned, expenses incurred, and income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Lunchroom/Cafeteria Fund

A fund which is used to account for all revenues and expenditures related to food service operations.

Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

Self Insurance Fund

A fund used to account for a former self-insurance program that provided medical, dental and vision benefits to employees.

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LUNCHROOM/CAFETERIA FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services	\$ 431,000	\$ 436,765	\$ 5,765
Operating Expenses:			
Food service operations:			
Salaries and wages	795,344	803,817	(8,473)
Fringe benefits	382,004	405,582	(23,578)
Purchased services	1,852,139	1,820,234	31,905
Supplies	300	-	300
Total operating expenses.	<u>3,029,787</u>	<u>3,029,633</u>	<u>154</u>
Operating loss	<u>(2,598,787)</u>	<u>(2,592,868)</u>	<u>5,919</u>
Non-operating revenues (expenses):			
Intergovernmental	2,712,000	2,713,671	1,671
Refund of prior year's expenditures	7,200	7,221	21
Transfers in	79,595	79,595	-
Advances in	12,000	12,000	-
Advances (out)	(218,550)	(218,550)	-
Total non-operating revenues (expenses).	<u>2,592,245</u>	<u>2,593,937</u>	<u>1,692</u>
Net change in fund equity.	(6,542)	1,069	7,611
Fund equity at beginning of year	7,026	7,026	-
Prior year encumbrances appropriated	415	415	-
Fund equity at end of year.	<u>\$ 899</u>	<u>\$ 8,510</u>	<u>\$ 7,611</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF-INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating revenues:			
Charges for services	\$ 9,651,000	\$ 9,675,601	\$ 24,601
Operating Expenses:			
Salaries and wages	57,616	57,977	(361)
Fringe benefits	8,861,506	8,641,127	220,379
Purchased services	608,700	608,648	52
Other	514,803	476,435	38,368
Total operating expenses.	<u>10,042,625</u>	<u>9,784,187</u>	<u>258,438</u>
Operating loss	<u>(391,625)</u>	<u>(108,586)</u>	<u>283,039</u>
Non-operating revenue:			
Interest	<u>10,000</u>	<u>50,830</u>	<u>40,830</u>
Net change in fund equity.	(381,625)	(57,756)	323,869
Fund equity at beginning of year	2,584,347	2,584,347	-
Prior year encumbrances appropriated	14,804	14,804	-
Fund equity at end of year.	<u>\$ 2,217,526</u>	<u>\$ 2,541,395</u>	<u>\$ 323,869</u>

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
FIDUCIARY FUND DESCRIPTIONS

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 and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results.

Private-Purpose Trust Fund

Scholarship Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

Student Activities

This fund reflects resources that belong to the student bodies of various schools, accounting for sale and other revenue generating activities.

OHSAA Tournaments

This fund reflects resources that are collected for various tournaments and remitted to the Ohio High School Athletic Association (OHSAA).

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 500	\$ 1,886	\$ 1,386
Contributions and donations	18,500	32,428	13,928
Other revenue	1,000	4,999	3,999
Total revenues.	<u>20,000</u>	<u>39,313</u>	<u>19,313</u>
Expenses:			
Supplies	2,000	1,015	985
Other	102,875	102,475	400
Total expenses.	<u>104,875</u>	<u>103,490</u>	<u>1,385</u>
Net change in fund equity	(84,875)	(64,177)	20,698
Fund equity at beginning of year	436,631	436,631	-
Prior year encumbrances appropriated . .	76,975	76,975	-
Fund equity at end of year	<u>\$ 428,731</u>	<u>\$ 449,429</u>	<u>\$ 20,698</u>

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Beginning Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2019</u>
Student Activities				
Assets:				
Equity in pooled cash and investments . . .	\$ 215,781	\$ 331,112	\$ 326,006	\$ 220,887
Liabilities:				
Accounts payable	\$ 6,821	\$ 3,126	\$ 6,821	\$ 3,126
Due to students	208,960	327,986	319,185	217,761
Total liabilities.	<u>\$ 215,781</u>	<u>\$ 331,112</u>	<u>\$ 326,006</u>	<u>\$ 220,887</u>
OHSAA Tournaments				
Assets:				
Equity in pooled cash and investments . . .	\$ 11,393	\$ 14,176	\$ 11,322	\$ 14,247
Liabilities:				
Intergovernmental payable	\$ -	\$ 14,247	\$ -	\$ 14,247
Due to students	11,393	-	11,393	-
Total liabilities.	<u>\$ 11,393</u>	<u>\$ 14,247</u>	<u>\$ 11,393</u>	<u>\$ 14,247</u>
Total				
Assets:				
Equity in pooled cash and investments . . .	\$ 227,174	\$ 345,288	\$ 337,328	\$ 235,134
Liabilities:				
Accounts payable	\$ 6,821	\$ 3,126	\$ 6,821	\$ 3,126
Intergovernmental payable	-	14,247	-	14,247
Due to students	220,353	327,986	330,578	217,761
Total liabilities.	<u>\$ 227,174</u>	<u>\$ 345,359</u>	<u>\$ 337,399</u>	<u>\$ 235,134</u>

STATISTICAL SECTION

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

STATISTICAL SECTION

This part of the Elyria City 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 District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	144-155
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	156-161
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	162-166
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	167-168
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	170-185
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
Sources: Sources are noted on the individual schedules.	

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	Restated 2011	2012	2013	Restated 2014
Governmental Activities:					
Net Investment in Capital Assets	\$ 22,043,153	\$ 23,559,166	\$ 27,873,333	\$ 26,894,482	\$ 24,888,459
Restricted for:					
Capital Projects	11,084,930	4,734,602	1,464,027	1,006,832	659,253
Debt Service	923,062	1,077,092	1,302,341	1,398,558	1,624,216
Set Asides	444,812	687,692	-	-	-
Other Purposes	46,683	550,659	1,259,908	1,316,499	2,574,118
State Funded Programs	257,826	138,845	218,904	161,770	180,901
Federal Funded Programs	1,042,527	1,765,686	979,548	597,390	508,938
Student Activities	218,865	205,720	157,467	170,020	160,002
Unrestricted (Deficit)	<u>(5,526,710)</u>	<u>(704,872)</u>	<u>(292,668)</u>	<u>211,059</u>	<u>(94,251,508)</u>
Total Governmental Activities Net Position	<u>30,535,148</u>	<u>32,014,590</u>	<u>32,962,860</u>	<u>31,756,610</u>	<u>(63,655,621)</u>
Business-type Activities:					
Net Investment in Capital Assets	121,836	94,230	632,625	595,286	522,882
Unrestricted (Deficit)	<u>148,772</u>	<u>78,292</u>	<u>108,963</u>	<u>50,891</u>	<u>(1,580,889)</u>
Total Business-type Activities Net Position	<u>270,608</u>	<u>172,522</u>	<u>741,588</u>	<u>646,177</u>	<u>(1,058,007)</u>
Primary Government:					
Net Investment in Capital Assets	22,164,989	23,653,396	28,505,958	27,489,768	25,411,341
Restricted	14,018,705	9,160,296	5,382,195	4,651,069	5,707,428
Unrestricted (Deficit)	<u>(5,377,938)</u>	<u>(626,580)</u>	<u>(183,705)</u>	<u>261,950</u>	<u>(95,832,397)</u>
Total Primary Government Net Position	<u>\$ 30,805,756</u>	<u>\$ 32,187,112</u>	<u>\$ 33,704,448</u>	<u>\$ 32,402,787</u>	<u>\$ (64,713,628)</u>

Source: School District financial records

	2015	2016	Restated 2017	2018	2019
\$	23,006,413	\$ 22,435,364	\$ 22,007,088	\$ 25,229,087	\$ 36,082,044
	1,972,561	832,923	71,145,753	85,617,976	75,986,695
	2,173,458	2,079,936	15,214,728	2,379,250	1,302,871
	-	-	-	-	-
	2,297,002	2,056,659	1,975,341	1,970,281	1,940,632
	155,505	289,487	115,306	220,532	140,848
	524,208	693,161	762,967	1,167,858	351,610
	114,262	102,504	57,718	45,316	25,836
	<u>(84,965,926)</u>	<u>(77,211,834)</u>	<u>(104,201,127)</u>	<u>(63,280,346)</u>	<u>(52,706,837)</u>
	<u>(54,722,517)</u>	<u>(48,721,800)</u>	<u>7,077,774</u>	<u>53,349,954</u>	<u>63,123,699</u>
	452,595	384,004	300,730	236,334	171,939
	<u>(1,554,357)</u>	<u>(1,664,261)</u>	<u>(2,734,907)</u>	<u>(2,730,580)</u>	<u>(2,675,441)</u>
	<u>(1,101,762)</u>	<u>(1,280,257)</u>	<u>(2,434,177)</u>	<u>(2,494,246)</u>	<u>(2,503,502)</u>
	23,459,008	22,819,368	22,307,818	25,465,421	36,253,983
	7,236,996	6,054,670	89,271,813	91,401,213	79,748,492
	<u>(86,520,283)</u>	<u>(78,876,095)</u>	<u>(106,936,034)</u>	<u>(66,010,926)</u>	<u>(55,382,278)</u>
\$	<u><u>(55,824,279)</u></u>	<u><u>(50,002,057)</u></u>	<u><u>4,643,597</u></u>	<u><u>50,855,708</u></u>	<u><u>60,620,197</u></u>

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014
Expenses					
Governmental Activities:					
Regular Instruction	\$ 30,677,977	\$ 29,324,385	\$ 31,525,685	\$ 29,742,158	\$ 28,202,974
Special Instruction	11,252,236	11,056,358	9,971,233	10,263,748	12,458,036
Vocational Instruction	223,734	230,941	271,168	210,958	182,246
Adult Instruction	90,580	-	-	-	-
Student Intervention Services and Other Instruction	7,764,455	8,416,534	9,688,961	10,990,894	10,388,728
Pupil Support	4,320,730	4,351,555	4,008,503	4,204,449	4,066,444
Instructional Staff Support	5,210,569	5,033,837	4,596,716	3,905,652	2,054,090
Board of Education	117,662	-	38,553	49,142	65,861
Administration	4,698,220	5,274,119	5,134,013	4,692,880	4,729,242
Fiscal	1,758,975	1,803,790	1,694,615	1,561,203	1,765,803
Business	624,956	620,316	616,011	660,481	805,054
Operation and Maintenance of Plant	5,869,301	6,538,866	6,185,693	6,986,114	6,710,271
Pupil Transportation	3,263,970	3,118,652	3,818,599	3,503,997	3,481,658
Central	1,316,634	1,476,442	1,538,268	1,533,966	673,932
Operation of Non-Instructional Services	1,434,159	1,838,111	1,608,596	1,837,363	1,837,308
Extracurricular Activities	1,320,365	1,253,432	1,436,361	1,793,238	1,722,392
Interest and Fiscal Charges	2,575,662	2,473,375	2,469,247	2,481,366	2,568,603
<i>Total Governmental Activities Expenses</i>	<u>82,520,185</u>	<u>82,810,713</u>	<u>84,602,222</u>	<u>84,417,609</u>	<u>81,712,642</u>
Business-type Activities:					
Lunchroom/Cafeteria Operations	2,898,273	3,054,910	2,949,942	3,435,979	3,448,062
<i>Total Primary Government Expenses</i>	<u>85,418,458</u>	<u>85,865,623</u>	<u>87,552,164</u>	<u>87,853,588</u>	<u>85,160,704</u>

	2015	2016	2017	2018	2019
\$	28,009,644	\$ 29,497,294	\$ 31,719,549	\$ 8,564,742	\$ 28,904,646
	12,381,000	12,300,324	14,925,258	7,658,111	13,356,269
	150,406	152,651	94,640	94,811	85,816
	-	-	-	-	-
	10,583,519	10,807,942	10,870,816	10,121,711	10,260,485
	4,252,218	4,607,976	5,055,880	2,019,457	4,678,739
	2,686,171	2,792,554	3,024,624	1,682,490	2,361,993
	79,604	139,655	78,967	81,140	90,651
	4,399,240	4,924,229	5,380,981	2,517,769	4,701,729
	1,271,020	1,255,993	1,327,766	1,377,519	1,168,229
	726,514	734,073	731,318	638,359	622,529
	6,652,101	6,179,228	6,580,557	5,625,460	6,026,640
	3,361,523	3,381,356	2,816,015	3,794,809	4,136,063
	897,457	979,120	1,110,812	856,060	952,088
	1,970,716	1,951,387	2,319,011	1,520,985	2,270,046
	1,679,502	1,796,847	1,899,637	901,397	1,798,096
	2,226,037	1,667,085	2,713,246	4,109,191	4,101,682
	<u>81,326,672</u>	<u>83,167,714</u>	<u>90,649,077</u>	<u>51,564,011</u>	<u>85,515,701</u>
	<u>3,139,526</u>	<u>3,314,040</u>	<u>3,577,305</u>	<u>3,316,499</u>	<u>3,477,276</u>
	<u>84,466,198</u>	<u>86,481,754</u>	<u>94,226,382</u>	<u>54,880,510</u>	<u>88,992,977</u>

(continued)

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014
Program Revenues					
Governmental Activities:					
Charges for Services					
Regular Instruction	\$ 1,405,561	\$ 1,390,222	\$ 1,311,238	\$ 1,187,803	\$ 1,053,435
Special Instruction	258,583	278,720	342,019	420,691	77,207
Vocational Instruction	-	-	-	-	-
Student Intervention Services and Other Instruction	-	-	-	-	77,950
Instructional Staff	-	-	-	11	-
Administration	-	-	-	-	-
Operation and Maintenance of Plant	87,314	75,966	-	-	-
Pupil Transportation	-	-	-	235	-
Central	-	-	442	-	-
Operation of Non-Instructional Services	-	-	-	-	13,935
Extracurricular Activities	328,811	260,053	309,156	331,116	259,551
Operating Grants and Contributions					
Regular Instruction	327,391	936,962	310,180	434,371	145,835
Special Instruction	3,656,735	3,174,684	1,905,714	2,811,211	8,732,394
Vocational Instruction	115,586	116,453	-	-	130,774
Student Intervention Services and Other Instruction	-	-	-	-	-
Pupil Support	429,201	1,169,532	570,483	-	650,106
Instructional Staff Support	3,520,094	2,889,018	2,480,001	2,175,184	476,426
Administration	156,897	907,706	-	170,185	105,799
Fiscal	109,022	51,028	458,031	-	-
Business	-	-	-	39,991	-
Operation and Maintenance of Plant	-	-	221,861	130,231	104,276
Pupil Transportation	18,525	95,841	113,865	-	-
Central	56,778	98,559	25,200	21,600	-
Operation of Non-Instructional Services	988,682	1,092,124	978,108	1,020,652	1,053,331
Extracurricular Activities	43,613	21,639	112,021	19,122	31,672
Capital Grants and Contributions					
Regular Instruction	-	76,326	-	-	-
Fiscal	-	-	-	-	-
Operation and Maintenance of Plant	1,745,879	237,058	237,913	-	-
Total Governmental Activities Program Revenues	13,248,672	12,871,891	9,376,232	8,762,403	12,912,691
Business-type Activities:					
Charges for Services	647,176	627,723	686,628	486,121	555,387
Operating Grants and Contributions	2,399,357	2,334,647	2,248,489	2,854,321	2,726,489
Total Business-type Activities Program Revenues	3,046,533	2,962,370	2,935,117	3,340,442	3,281,876
Total Primary Government Program Revenues	16,295,205	15,834,261	12,311,349	12,102,845	16,194,567
Net (Expense)/Revenue					
Governmental Activities	(69,271,513)	(69,938,822)	(75,225,990)	(75,655,206)	(68,799,951)
Business-type Activities	148,260	(92,540)	(14,825)	(95,537)	(166,186)
Total Primary Government Net (Expense)/Revenue	(69,123,253)	(70,031,362)	(75,240,815)	(75,750,743)	(68,966,137)

	2015	2016	2017	2018	2019
\$	1,471,127	\$ 1,740,624	\$ 1,660,166	\$ 1,807,440	\$ 1,914,356
	453,148	183,362	662,442	1,182,863	819,486
	-	12,415	-	-	-
	-	-	-	-	-
	-	-	-	256	304
	-	-	-	172	1,438
	-	-	-	26	16,930
	-	-	-	-	-
	9,174	19,199	-	-	-
	13,503	30,363	1,760	3,376	3,690
	236,973	259,233	191,123	179,371	221,921
	100,310	184,932	185,517	467,718	322,772
	7,162,556	7,936,120	7,692,734	7,053,796	7,842,757
	76,361	124,435	115,603	121,473	115,690
	303,411	158,603	140,300	290,013	336,750
	934,840	920,572	792,699	861,961	613,789
	668,184	585,632	591,940	549,979	557,540
	282,456	309,001	406,857	337,366	480,386
	-	-	-	-	1,324
	-	-	-	-	-
	27,468	50,656	51,210	76,585	41,080
	318,880	355,719	395,740	326,769	275,702
	-	-	-	-	-
	1,245,120	1,362,490	1,361,946	1,448,815	1,518,281
	14,717	57,793	6,736	14,627	83,056
	-	-	-	-	-
	-	-	-	-	-
	53,104	23,286	22,276	131,026	248,746
	<u>13,371,332</u>	<u>14,314,435</u>	<u>14,279,049</u>	<u>14,853,632</u>	<u>15,415,998</u>
	430,514	448,993	467,783	441,471	439,354
	2,665,185	2,686,147	2,828,944	2,814,959	2,897,438
	<u>3,095,699</u>	<u>3,135,140</u>	<u>3,296,727</u>	<u>3,256,430</u>	<u>3,336,792</u>
	<u>16,467,031</u>	<u>17,449,575</u>	<u>17,575,776</u>	<u>18,110,062</u>	<u>18,752,790</u>
	(67,955,340)	(68,853,279)	(76,370,028)	(36,710,379)	(70,099,703)
	(43,827)	(178,900)	(280,578)	(60,069)	(140,484)
	<u>(67,999,167)</u>	<u>(69,032,179)</u>	<u>(76,650,606)</u>	<u>(36,770,448)</u>	<u>(70,240,187)</u>

(continued)

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Changes in Net Position by Function
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for:					
General Purposes	\$ 25,298,002	\$ 29,145,296	\$ 30,745,255	\$ 29,568,266	\$ 30,076,118
Debt Service	2,456,971	2,610,859	2,596,719	2,564,098	2,641,599
Other Purposes	412,893	401,634	582,548	356,926	351,434
Grants and Entitlements not					
Restricted to Specific Programs	43,594,198	44,165,628	42,170,409	41,694,839	40,800,898
OFCC Project	-	-	-	-	-
Investment Earnings	86,613	52,585	48,133	32,723	35,071
Miscellaneous	806,609	580,702	445,122	216,780	543,333
Gain from Sale of Capital Assets	-	861,343	169,913	15,324	-
Transfers	-	-	(583,839)	-	-
<i>Total Governmental Activities</i>	<u>72,655,286</u>	<u>77,818,047</u>	<u>76,174,260</u>	<u>74,448,956</u>	<u>74,448,453</u>
Business-type Activities:					
Investment Earnings	112	144	52	126	45
Miscellaneous	-	-	-	-	-
Transfers	-	-	583,839	-	-
<i>Total Business-type Activities</i>	<u>112</u>	<u>144</u>	<u>583,891</u>	<u>126</u>	<u>45</u>
<i>Total Primary Government</i>	<u>72,655,398</u>	<u>77,818,191</u>	<u>76,758,151</u>	<u>74,449,082</u>	<u>74,448,498</u>
Special and Extraordinary Item					
Governmental Activities:					
Special Item	-	-	-	-	-
Change in Net Position					
Governmental Activities	3,383,773	7,879,225	948,270	(1,206,250)	5,648,502
Business-type Activities	148,372	(92,396)	569,066	(95,411)	(166,141)
<i>Total Primary Government Change in Net Position</i>	<u>\$ 3,532,145</u>	<u>\$ 7,786,829</u>	<u>\$ 1,517,336</u>	<u>\$ (1,301,661)</u>	<u>\$ 5,482,361</u>

Source: School District financial records

	2015	2016	2017	2018	2019
\$	30,162,868	\$ 30,783,650	\$ 29,188,912	\$ 34,539,211	\$ 30,347,561
	2,584,814	2,541,688	4,279,787	6,529,180	5,659,109
	323,864	356,751	341,158	431,137	345,084
	43,114,453	41,204,438	41,461,618	40,207,103	40,421,471
	-	-	79,868,962	-	-
	120,243	334,488	324,668	698,491	2,602,084
	582,202	212,026	777,314	577,437	571,610
	-	-	-	-	6,124
	-	-	-	-	(79,595)
	<u>76,888,444</u>	<u>75,433,041</u>	<u>156,242,419</u>	<u>82,982,559</u>	<u>79,873,448</u>
	72	405	-	-	-
	-	-	-	-	51,633
	-	-	-	-	79,595
	<u>72</u>	<u>405</u>	<u>-</u>	<u>-</u>	<u>131,228</u>
	<u>76,888,516</u>	<u>75,433,446</u>	<u>156,242,419</u>	<u>82,982,559</u>	<u>80,004,676</u>
	-	(579,045)	-	-	-
	8,933,104	6,000,717	79,872,391	46,272,180	9,773,745
	(43,755)	(178,495)	(280,578)	(60,069)	(9,256)
\$	<u>8,889,349</u>	<u>\$ 5,822,222</u>	<u>\$ 79,591,813</u>	<u>\$ 46,212,111</u>	<u>\$ 9,764,489</u>

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2010	Restated 2011	2012	2013	2014	2015
General Fund						
Nonspendable	N/A	\$ 5,391	\$ 5,349	\$ 5,623	\$ 5,944	\$ 5,944
Committed	N/A	685,877	-	-	-	546,387
Assigned	N/A	1,651,309	1,304,033	1,572,045	1,468,151	1,999,171
Unassigned	N/A	1,314,738	2,750,651	199,248	5,847,405	11,570,935
Reserved	\$ 2,961,606	N/A	N/A	N/A	N/A	N/A
Unreserved	(3,112,204)	N/A	N/A	N/A	N/A	N/A
<i>Total General Fund</i>	(150,598)	3,657,315	4,060,033	1,776,916	7,321,500	14,122,437
All Other Governmental Funds						
Restricted	N/A	10,614,054	4,590,105	4,160,003	4,115,353	5,752,043
Unassigned	N/A	(123,875)	(1,757,300)	(302,919)	(561,100)	(337,280)
Reserved	25,215,613	N/A	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:						
Special Revenue Funds	170,086	N/A	N/A	N/A	N/A	N/A
Debt Service Fund	936,109	N/A	N/A	N/A	N/A	N/A
Capital Projects Funds	919,240	N/A	N/A	N/A	N/A	N/A
<i>Total Other Governmental Funds</i>	27,241,048	10,490,179	2,832,805	3,857,084	3,554,253	5,414,763
<i>Total Governmental Funds</i>	\$ 27,090,450	\$ 14,147,494	\$ 6,892,838	\$ 5,634,000	\$ 10,875,753	\$ 19,537,200

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.

2016	2017	2018	2019
\$ -	\$ 82,725	\$ 146,099	\$ 133,297
98,581	55,107	217,059	312,388
1,931,826	5,169,787	9,384,859	1,190,931
19,525,704	17,708,027	17,312,565	23,777,164
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
21,556,111	23,015,646	27,060,582	25,413,780
4,573,053	70,292,623	77,627,832	59,259,453
(670,804)	(718,274)	(329,090)	(278,866)
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
3,902,249	69,574,349	77,298,742	58,980,587
<u>\$ 25,458,360</u>	<u>\$ 92,589,995</u>	<u>\$ 104,359,324</u>	<u>\$ 84,394,367</u>

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015
Revenues						
Property and Other Local Taxes	\$ 29,384,209	\$ 32,065,632	\$ 32,845,379	\$ 31,833,669	\$ 32,643,971	\$ 32,483,879
Intergovernmental	52,907,884	54,617,582	49,863,633	48,446,865	50,695,171	54,539,893
Interest	540,613	136,125	59,470	36,203	34,909	119,495
Tuition and Fees	1,681,792	1,591,906	1,625,513	1,602,354	1,301,480	1,778,415
Extracurricular Activities	328,813	260,053	309,600	329,864	261,251	235,841
Gifts and Donations	1,833,837	450,744	609,950	327,696	476,112	428,327
Rent	87,314	75,965	38,344	24,150	29,465	40,804
Charges for Services	-	-	-	-	403	1,124
Miscellaneous	794,580	592,730	343,807	135,266	447,906	692,590
<i>Total Revenues</i>	<u>87,559,042</u>	<u>89,790,737</u>	<u>85,695,696</u>	<u>82,736,067</u>	<u>85,890,668</u>	<u>90,320,368</u>
Expenditures						
Current:						
Instruction:						
Regular	30,998,387	29,863,714	30,509,139	29,316,237	27,433,547	27,571,838
Special	11,307,386	11,054,715	9,939,700	10,191,730	12,349,247	12,725,474
Vocational	224,799	234,433	266,684	212,032	193,345	158,745
Adult	88,477	-	-	-	-	-
Student Intervention Services and Other	7,741,479	8,468,160	9,688,259	11,001,296	10,394,707	10,594,381
Support Services:						
Pupils	4,310,813	4,375,148	4,014,413	4,122,265	4,001,583	4,279,534
Instructional Staff	5,115,977	5,163,013	4,640,037	3,944,319	2,090,857	2,759,118
Board of Education	117,662	-	38,553	49,142	65,861	80,613
Administration	4,741,611	5,130,180	5,089,614	4,661,567	4,667,187	4,434,447
Fiscal	1,749,974	1,756,369	1,769,610	1,553,011	1,785,225	1,297,124
Business	630,910	620,267	621,288	658,010	808,107	724,193
Operation and Maintenance of Plant	5,494,533	6,160,275	5,506,948	6,071,696	5,580,440	6,355,877
Pupil Transportation	3,263,970	3,118,652	3,818,599	3,503,997	3,481,658	3,361,523
Central	1,294,594	1,453,842	1,550,833	1,507,988	767,211	860,075
Operation of Non-Instructional Services	1,467,175	1,824,142	1,583,272	1,807,453	1,851,959	1,987,621
Extracurricular Activities	1,259,578	1,223,816	1,400,782	1,305,291	1,243,955	1,221,780
Capital Outlay	30,503,669	19,876,585	9,305,610	706,770	407,850	278,276
Debt Service:						
Principal Retirement	1,150,874	1,144,683	1,169,276	1,215,153	791,539	761,350
Interest and Fiscal Charges	2,320,498	2,273,834	2,228,597	2,182,272	2,734,637	2,440,304
<i>Total Expenditures</i>	<u>113,782,366</u>	<u>103,741,828</u>	<u>93,141,214</u>	<u>84,010,229</u>	<u>80,648,915</u>	<u>81,892,273</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(26,223,324)</u>	<u>(13,951,091)</u>	<u>(7,445,518)</u>	<u>(1,274,162)</u>	<u>5,241,753</u>	<u>8,428,095</u>
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	12,028	1,034,795	190,862	15,324	-	-
Refunding Bonds Issued	-	-	-	-	-	40,443,776
Premium on Refunding Bonds Issued	-	-	-	-	-	4,912,293
Discount on Refunding Bonds Issued	-	-	-	-	-	(131,906)
Payment to Refunded Bond Escrow Agent Bonds Issued	-	-	-	-	-	(44,990,811)
Premium on Bonds Issued	-	-	-	-	-	-
Discount on Bonds Issued	-	-	-	-	-	-
Transfers In	2,789,215	-	770,491	1,145,619	4,619	750,000
Transfers Out	(2,889,215)	-	(770,491)	(1,145,619)	(4,619)	(750,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(87,972)</u>	<u>1,034,795</u>	<u>190,862</u>	<u>15,324</u>	<u>-</u>	<u>233,352</u>
Special and Extraordinary Items						
Special Item	-	-	-	-	-	-
<i>Net Change in Fund Balances</i>	<u>\$ (26,311,296)</u>	<u>\$ (12,916,296)</u>	<u>\$ (7,254,656)</u>	<u>\$ (1,258,838)</u>	<u>\$ 5,241,753</u>	<u>\$ 8,661,447</u>
Debt Service as a Percentage of Noncapital Expenditures	4.17%	4.08%	4.02%	4.08%	4.39%	3.95%

Source: School District financial records

	2016	2017	2018	2019
\$	33,896,010	\$ 34,479,225	\$ 41,749,833	\$ 36,314,200
	52,404,942	52,911,402	67,171,652	52,389,606
	341,295	324,668	710,342	2,530,293
	2,117,619	2,463,804	2,976,987	2,723,152
	259,196	208,983	196,517	238,043
	399,689	323,889	345,029	257,196
	56,371	17,283	16,815	16,930
	-	-	-	-
	143,944	635,850	566,063	586,878
	<u>89,619,066</u>	<u>91,365,104</u>	<u>113,733,238</u>	<u>95,056,298</u>

	28,137,875	29,178,887	30,686,417	32,661,895
	12,223,406	14,246,101	13,641,301	15,051,967
	153,218	90,661	96,031	100,458
	-	-	-	-
	10,811,293	10,888,595	10,487,735	10,315,900
	4,516,260	4,632,743	5,007,570	5,423,641
	2,774,849	2,869,624	2,523,495	2,601,654
	139,703	77,833	81,140	93,295
	4,841,896	4,938,407	5,206,023	5,347,952
	1,262,697	1,296,304	1,466,298	1,245,935
	732,627	699,794	702,916	703,791
	6,402,608	5,446,899	5,333,530	5,377,211
	3,381,356	2,823,372	3,795,196	4,136,063
	925,517	1,033,679	967,900	1,091,399
	1,956,607	2,273,785	1,956,688	2,430,036
	1,320,826	1,312,242	1,355,696	1,517,404
	40,540	386,747	11,454,300	20,222,941
	1,379,502	1,920,500	3,274,940	2,845,183
	2,171,719	1,930,224	3,926,733	3,797,768
	<u>83,172,499</u>	<u>86,641,037</u>	<u>101,963,909</u>	<u>114,964,493</u>

	<u>6,446,567</u>	<u>4,724,067</u>	<u>11,769,329</u>	<u>(19,908,195)</u>
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	53,638	-	-	22,833
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	59,385,000	-	-
	-	3,488,953	-	-
	-	(466,385)	-	-
	1,664,452	42,138,444	2,236,000	373,735
	(1,664,452)	(42,138,444)	(2,236,000)	(453,330)
	<u>53,638</u>	<u>62,407,568</u>	<u>-</u>	<u>(56,762)</u>

	<u>(579,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>
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\$	<u>5,921,160</u>	<u>\$ 67,131,635</u>	<u>\$ 11,769,329</u>	<u>\$ (19,964,957)</u>
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4.33% 4.50% 7.99% 7.00%

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			
	Assessed Value		Estimated Actual Value	Public Utility		General Business	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2010	594,953,955	273,081,300	2,480,100,729	20,751,820	23,581,614	1,536,543	6,146,172
2011	593,435,840	269,224,210	2,464,743,000	21,583,770	24,527,011	-	-
2012	588,891,670	266,048,900	2,442,687,343	23,047,630	26,190,489	-	-
2013	532,263,910	252,914,910	2,243,368,057	25,282,660	28,730,295	-	-
2014	531,420,210	255,386,430	2,248,018,971	28,030,950	31,853,352	-	-
2015	529,885,380	249,617,690	2,227,151,629	29,710,000	33,761,364	-	-
2016	524,038,910	247,812,680	2,205,290,257	31,456,810	35,746,375	-	-
2017	523,737,760	243,779,700	2,192,907,029	35,260,090	40,068,284	-	-
2018	525,322,890	246,342,710	2,204,758,857	37,890,370	43,057,239	-	-
2019	548,934,510	267,033,120	2,331,336,086	39,580,360	44,977,682	-	-

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 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

Total			
Assessed Value	Estimated Actual Value	Ratio	Weighted Average Tax Rate
890,323,618	2,509,828,514	35.47%	64.32
884,243,820	2,489,270,011	35.52%	69.58
877,988,200	2,468,877,831	35.56%	69.73
810,461,480	2,272,098,353	35.67%	71.35
814,837,590	2,279,872,324	35.74%	71.47
809,213,070	2,260,912,992	35.79%	71.81
803,308,400	2,241,036,632	35.85%	72.28
802,777,550	2,232,975,313	35.95%	76.27
809,555,970	2,247,816,096	36.02%	75.64
855,547,990	2,376,313,768	36.00%	74.89

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			
	Voted			Unvoted	Total	City of Elyria Levy	Lorain County Levy	JVS	Lorain Library District
	General	Bond	Permanent Improvement						
2010	56.38	3.24	0.50	4.20	64.32	6.10	13.39	2.45	0.00
2011	61.62	3.26	0.50	4.20	69.58	6.10	13.69	2.45	0.00
2012	61.75	3.28	0.50	4.20	69.73	6.10	13.69	2.45	0.00
2013	62.97	3.68	0.50	4.20	71.35	6.10	13.66	2.45	0.00
2014	63.08	3.69	0.50	4.20	71.47	6.10	14.48	2.45	0.00
2015	63.46	3.65	0.50	4.20	71.81	6.10	14.48	2.45	0.00
2016	64.01	3.57	0.50	4.20	72.28	6.10	15.08	2.45	0.00
2017	64.13	7.44	0.50	4.20	76.27	6.10	15.08	2.45	0.00
2018	63.53	7.41	0.50	4.20	75.64	7.00	15.08	2.45	0.00
2019	62.90	7.29	0.50	4.20	74.89	7.00	15.08	2.45	0.00

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.

Total
Levy

86.26

91.82

91.97

93.56

94.50

94.84

95.91

99.90

100.17

99.42

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
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
2018	45,644,541	44,032,196	96.47%	N/A	44,032,196	96.47%	2,853,643

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 2019 information cannot be presented because all collections have not been made by June 30, 2019.
- (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
2018 and 2009
Amount in 000's*

Name of Taxpayer	2018	
	Assessed Value (1)	Percent of Real Property Assessed Value
Ohio Edison Company-First Energy	\$ 21,955	2.69%
American Transmission Systems, Inc.	21,471	2.63%
Elyria Realty LLC	9,308	1.14%
Columbia Gas	7,133	0.87%
Midway Market Square Elyria LLC	5,773	0.71%
Walmart Real Estate Business Trust	5,010	0.61%
CHP Chestnut Commons OH MOB LLC	4,900	0.60%
Hunters Crossing Apartments	4,466	0.55%
Elyria Taylor LLC	4,051	0.50%
Elyria United Methodist Village	3,877	0.48%
Totals	\$ 87,944	10.78%
Total Real Assessed Valuation	\$ 815,968	

Name of Taxpayer	2009	
	Assessed Value (1)	Percent of Real Property Assessed Value
Centro Midway LLC	\$ 15,709	1.81%
Ohio Edison Co.	15,610	1.80%
New Plan of Midway, Inc.	7,940	0.91%
First Interstate	5,886	0.68%
Hunters Crossing	4,872	0.56%
HK New Plan Exchange	3,190	0.37%
Elyria United Methodist Village	3,416	0.39%
Invacare Corporation	4,241	0.49%
Midway Realty Company	3,332	0.38%
Dayton Hudson	3,116	0.36%
Totals	\$ 67,312	7.75%
Total Real Assessed Valuation	\$ 868,035	

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

Source: City of Elyria Comprehensive Annual Financial Report, for the year ended December 31, 2019

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

*Ratio of Net Bonded Debt to Estimated Actual Value and Debt per Capita
Last Ten Fiscal Years*

General Bonded Debt

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
2010	55,953	2,480,100,729	50,611,856	923,062	49,688,794	2.00%	888.05
2011	55,953	2,464,743,000	49,667,741	1,077,092	48,590,649	1.97%	868.42
2012	54,581	2,442,687,343	48,746,510	1,302,341	47,444,169	1.94%	869.24
2013	54,086	2,243,368,057	47,831,462	1,398,558	46,432,904	2.07%	858.50
2014	53,956	2,248,018,971	46,736,810	1,624,216	45,112,594	2.01%	836.10
2015	53,972	2,227,151,629	49,838,162	2,173,458	47,664,704	2.14%	883.14
2016	53,775	2,205,290,257	47,767,784	2,079,936	45,687,848	2.07%	849.61
2017	53,715	2,192,907,029	108,239,551	15,214,728	93,024,823	4.24%	1,731.82
2018	53,883	2,204,758,857	104,938,266	2,379,250	102,559,016	4.65%	1,903.36
2019	53,881	2,331,336,086	102,156,610	1,302,871	100,853,739	4.33%	1,871.79

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 2019 and prior years.

Total Debt

Total Debt Primary Government	Ratio of General Debt to Estimated Actual Value	Percentage of Personal Income
50,611,856	2.04%	4.42%
49,667,741	2.02%	4.34%
48,746,510	2.00%	4.24%
47,831,462	2.13%	4.20%
46,736,810	2.08%	4.11%
49,838,162	2.24%	4.27%
47,767,784	2.17%	4.09%
108,239,551	4.94%	9.40%
104,938,266	4.76%	8.96%
102,156,610	4.38%	8.24%

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2010	2011	2012	2013	2014
Tax Valuation	<u>\$ 868,035,255</u>	<u>\$ 862,660,050</u>	<u>\$ 854,940,570</u>	<u>\$ 785,178,820</u>	<u>\$ 786,806,640</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>78,123,173</u>	<u>77,639,405</u>	<u>76,944,651</u>	<u>70,666,094</u>	<u>70,812,598</u>
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	50,611,856	49,667,741	48,746,510	47,831,462	46,736,810
Less: Exempt Indebtedness (2)	0	0	0	0	0
Less: Amount Available in Debt Service	<u>(923,062)</u>	<u>(1,077,092)</u>	<u>(1,302,341)</u>	<u>(1,398,558)</u>	<u>(1,624,216)</u>
Amount of Debt Subject to Limit	<u>49,688,794</u>	<u>48,590,649</u>	<u>47,444,169</u>	<u>46,432,904</u>	<u>45,112,594</u>
Legal Debt Margin	<u>\$ 28,434,379</u>	<u>\$ 29,048,756</u>	<u>\$ 29,500,482</u>	<u>\$ 24,233,190</u>	<u>\$ 25,700,004</u>
Legal Debt Margin as a Percentage of Debt Limit	36.40%	37.41%	38.34%	34.29%	36.29%
Unvoted Legal Debt Limit - .10% of Assessed Value (1)	<u>\$ 868,035</u>	<u>\$ 862,660</u>	<u>\$ 854,941</u>	<u>\$ 785,179</u>	<u>\$ 786,807</u>
Unvoted Debt Margin	<u>\$ 868,035</u>	<u>\$ 862,660</u>	<u>\$ 854,941</u>	<u>\$ 785,179</u>	<u>\$ 786,807</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	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.

2015	2016	2017	2018	2019
<u>\$ 779,503,070</u>	<u>\$ 771,851,590</u>	<u>\$ 767,517,460</u>	<u>\$ 771,665,600</u>	<u>\$ 815,967,630</u>
<u>70,155,276</u>	<u>69,466,643</u>	<u>69,076,571</u>	<u>69,449,904</u>	<u>73,437,087</u>
49,838,162	47,767,784	100,616,844	97,341,904	94,496,721 *
0	0	(16,325,545)	(25,512,750)	(19,756,763)
<u>(2,173,458)</u>	<u>(2,079,936)</u>	<u>(15,214,728)</u>	<u>(2,379,250)</u>	<u>(1,302,871)</u>
<u>47,664,704</u>	<u>45,687,848</u>	<u>69,076,571</u>	<u>69,449,904</u>	<u>73,437,087</u>
<u>\$ 22,490,572</u>	<u>\$ 23,778,795</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (0)</u>
32.06%	34.23%	0.00%	0.00%	0.00%
<u>\$ 779,503</u>	<u>\$ 771,852</u>	<u>\$ 767,517</u>	<u>\$ 771,666</u>	<u>\$ 815,968</u>
<u>\$ 779,503</u>	<u>\$ 771,852</u>	<u>\$ 767,517</u>	<u>\$ 771,666</u>	<u>\$ 815,968</u>
100.00%	100.00%	100.00%	100.00%	100.00%

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2019

	<u>Debt</u> <u>Attributable to</u> <u>Governmental</u> <u>Activities</u>	<u>Percentage</u> <u>Applicable to</u> <u>School District (1)</u>	<u>Amount of</u> <u>Direct and</u> <u>Overlapping</u> <u>Debt</u>
Direct Debt:			
Payable from Property Taxes			
Elyria City School District	\$ 102,156,610	100.00%	\$ 102,156,610
Overlapping:			
Lorain County	60,390,000	11.52%	6,956,928
Elyria City	11,485,000	88.10%	10,118,285
Lorain City	33,307,399	0.24%	79,938
Lorain County Career Center	<u>2,214,251</u>	12.91%	<u>285,860</u>
Total Overlapping Debt	<u>107,396,650</u>		<u>17,441,011</u>
Total Direct and Overlapping Debt	<u>\$ 209,553,260</u>		<u>\$ 119,597,621</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 2018 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
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
2019	53,881	309,461	1,239,209,119	22,999	5.40%	42,067

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	2018			2009		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Lorain County Community College	1,950	1	7.62%	450	7	1.53%
University Hospitals - EMH Regional	1,934	2	7.55%	1,137	2	3.87%
Lorain County	1,652	3	6.45%	1,355	1	4.61%
Elyria City School District	981	4	3.83%	947	3	3.22%
Bendix Commercial Vehicle Systems LLC	711	5	2.78%	375	8	1.28%
Ridge Tool Company	669	6	2.61%	526	5	1.79%
Walmart Associates Inc.	661	7	2.58%	N/A		N/A
Invacare	612	8	2.39%	732	4	2.49%
The City of Elyria	505	9	1.97%	477	6	1.62%
Parker Hannifin Corporation	329	10	1.29%	329	9	1.12%
Elyria Foundry Company	N/A		N/A	326	10	1.11%
Total	<u>10,004</u>		<u>39.08%</u>	<u>6,654</u>		<u>22.64%</u>
Total Employment within the City	<u>25,600</u>			<u>29,400</u>		

Source: City of Elyria comprehensive annual financial report,
for the year ended December 31, 2018

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ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
School District Employees by Function/Program
Last Ten Fiscal Years

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

Source: School District Records.

Method: According to Position Codes in 2019

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

<u>2018</u>	<u>2019</u>
193.00	197.50
208.00	211.00
44.00	50.00
0.00	0.00
43.00	38.00
1.00	0.00
1.00	1.00
3.00	3.00
0.00	0.00
13.00	16.00
3.00	4.00
7.00	7.00
8.00	6.00
29.00	28.04
2.00	3.00
0.00	2.00
6.00	14.10
19.00	21.00
4.00	7.00
8.00	8.65
13.00	4.00
26.00	9.82
7.00	7.00
14.00	14.00
51.00	41.00
10.00	15.00
88.00	86.10

ELYRIA CITY SCHOOL DISTRICT

LORAIN COUNTY, OHIO

Building Statistics

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016
Elyria High School							
Construction started in 2007							
Total building square footage	N/A	N/A	N/A	313,000	317,031	317,031	317,031
Enrollment grades 9-12	N/A	N/A	N/A	2,074	2,011	2,012	1,945
Student capacity	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A
Enrollment grades 9-12	2,076	2,323	2,102	N/A	N/A	N/A	N/A
Student capacity	1,832	1,832	1,832	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
Enrollment grades 7 - 8	602	557	504	515	522	513	491
Student capacity	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
Enrollment grades 7 - 8	589	548	532	538	528	476	454
Student capacity	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
Enrollment grades 7 - 8	474	456	472	476	443	430	429
Student capacity	466	466	466	466	466	466	466
Hilltop Academy							
Constructed in 2001							
Total building square footage	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Enrollment grades 6 - 9							
Cascade Elementary							
Constructed in 1929							
Total building square footage	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Enrollment grades K - 6							
Student capacity							
Crestwood Elementary							
Constructed in 1955							
Total building square footage	45,018	45,018	45,018	45,018	45,018	45,018	45,018
Enrollment grades K - 6	371	324	385	441	438	434	445
Student capacity	625	625	625	625	625	625	625
Eastgate Elementary							
Constructed in 1961							
Total building square footage	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Enrollment grades K - 6							
Student capacity							

2017	2018	2019
317,031	317,031	
2,004	1,890	1,955
1,796	1,796	1,796
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
74,820	74,820	74,820
457	447	421
601	601	601
76,076	76,076	76,076
443	451	426
487	487	487
93,226	93,226	93,226
424	425	425
466	466	466
Closed	Closed	Closed
Closed	Closed	Closed
45,018	45,018	45,018
437	427	442
625	625	625
Closed	Closed	Closed

(continued)

ELYRIA CITY SCHOOL DISTRICT

LORAIN COUNTY, OHIO

Building Statistics

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016
Ely Elementary							
Constructed in 1920							
Total building square footage	66,174	66,174	66,174	66,174	66,174	66,174	66,174
Enrollment grades K - 6	510	500	475	466	451	433	413
Student capacity	550	550	550	550	550	550	550
Erie Elementary							
Constructed in 1969							
Total building square footage	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Enrollment grades K - 6							
Student capacity							
Franklin Elementary							
Constructed in 1950							
Total building square footage	74,275	74,275	74,275	74,275	74,275	74,275	74,275
Enrollment grades K - 6	474	466	417	394	393	416	414
Student capacity	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
Enrollment grades K - 6	422	418	432	395	368	359	363
Student capacity	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
Enrollment grades 1 - 6	341	352	357	366	346	328	289
Student capacity	450	450	450	450	450	450	450
Prospect Elementary							
Constructed in 1965							
Total building square footage	39,401	39,401	39,401	39,401	39,401	39,401	39,401
Enrollment grades K - 6	459	414	396	379	388	404	341
Student capacity	500	500	500	500	500	500	500
Roosevelt Elementary							
Constructed in 1922							
Total building square footage	Closed	Closed	Closed	Closed	Closed	Closed	Closed
Enrollment grades K - 6							
Student capacity							
Windsor Elementary							
Constructed in 1963							
Total building square footage	49,201	49,201	49,201	49,201	49,201	49,201	49,201
Enrollment grades K - 6	465	457	418	436	419	410	384
Student capacity	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
Enrollment grades K - 1	185	182	101	249	259	251	258
Spring Valley Early Childhood Center							
Constructed in 1996							
Total building square footage	28,785	28,785	28,785	28,785	Closed	Closed	Closed
Enrollment grades n/a	144	151	235	235			

Source: School District Records.

2017	2018	2019
66,174	66,174	66,174
420	408	410
550	550	550
Closed	Closed	Closed
74,275	74,275	74,275
385	473	457
800	800	800
40,273	40,273	40,273
340	337	345
550	550	550
34,556	34,556	34,556
300	272	269
450	450	450
	(continued)	(continued)
39,401	39,401	39,401
345	364	359
500	500	500
Closed	Closed	Closed
49,201	49,201	49,201
398	409	425
675	675	675
111,369	111,369	111,369
343	366	346
Closed	Closed	Closed

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
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
2019	88,992,977	6,253	14,232	62.57%	455	13.7

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)
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
2019	38,740	63,728	59,978	62,353

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

Source: School District Records.

<u>2018</u>	<u>2019</u>
155	141
325	312
2	2
<u>482</u>	<u>455</u>

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ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Enrollment Statistics
Last Ten Fiscal Years

Fiscal Year	Elementary Schools	High Schools	Total
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
2019	3,026	3,227	6,253

Source: Ohio Department of Education.

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Nutrition Services
Last Ten Fiscal Years

<u>Degree</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Average daily membership	6,278	5,969	5,840	6,226	6,466	6,566	6,729	6,869
Total students eligible for free lunch	3,656	3,572	3,580	3,414	3,469	3,656	3,800	3,459
Participation percent	58%	60%	61%	55%	54%	56%	56%	50%
Total students eligible for reduced lunch	410	269	305	360	349	414	547	451
Participation percent	7%	5%	5%	6%	5%	6%	8%	7%
Total	<u>4,066</u>	<u>3,841</u>	<u>3,885</u>	<u>3,774</u>	<u>3,818</u>	<u>4,070</u>	<u>4,347</u>	<u>3,910</u>

Source: Ohio Department of Education.

<u>2011</u>	<u>2010</u>
7,148	7,131
3,459	3,460
48%	49%
451	496
6%	7%
<u><u>3,910</u></u>	<u><u>3,956</u></u>

ELYRIA CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
Average Number of Students per Teacher
Last Ten Fiscal Years

Fiscal Year	Elyria CSD Average	State Average
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
2019	13.74	14.43

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
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%
2018	91.89%	93.70%	88.60%	85.30%

Source: Ohio Department of Education.

Fiscal year 2019 not available during CAFR preparation.

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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 23, 2020**