

**EUCLID CITY  
SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2019**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**



OHIO AUDITOR OF STATE  
KEITH FABER

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Columbus, Ohio 43215  
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(800) 282-0370

Board of Education  
Euclid City School District  
651 E 22nd St  
Euclid, OH 44123

We have reviewed the *Independent Auditor's Report* of the Euclid City School District, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

January 15, 2020

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**EUCLID CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

To the Members of Board of Education  
Euclid City School District  
Euclid, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Euclid City School District, Cuyahoga 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, and have issued our report thereon dated December 20, 2019.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## ***Compliance and Other Matters***

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

## ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive, flowing style.

James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 20, 2019



**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of Board of Education  
Euclid City School District  
Euclid, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

***Report on Compliance for Each Major Federal Program***

We have audited the Euclid City School District, Cuyahoga County, Ohio's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2019. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance 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 express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Euclid City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

### ***Report on Internal Control over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over 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.

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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 report thereon dated December 20, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information 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, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 20, 2019

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**EUCLID CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>U.S. Department of Agriculture</u></b>					
<i>Passed through Ohio Department of Education</i>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$ 551,715	\$ 0	\$ 551,715	\$ 0
National School Lunch Program	10.555	1,764,391	219,337	1,764,391	219,337
Summer Food Service Program for Children	10.559	56,822	0	59,878	0
Total Child Nutrition Cluster		<u>2,372,928</u>	<u>219,337</u>	<u>2,375,984</u>	<u>219,337</u>
<b>Total U.S. Department of Agriculture</b>		<u>2,372,928</u>	<u>219,337</u>	<u>2,375,984</u>	<u>219,337</u>
<b><u>U.S. Department of Defense</u></b>					
<i>Direct Program</i>					
Junior ROTC	12.000	63,293	0	64,510	0
<b>Total U.S. Department of Defense</b>		<u>63,293</u>	<u>0</u>	<u>64,510</u>	<u>0</u>
<b><u>U.S. Department of Education</u></b>					
<i>Passed through Ohio Department of Education</i>					
Special Education Cluster (IDEA):					
Special Education - Grants to States	84.027	1,527,113	0	1,321,113	0
Special Education - Preschool Grants	84.173	32,274	0	32,274	0
Total Special Education Cluster		<u>1,559,387</u>	<u>0</u>	<u>1,353,387</u>	<u>0</u>
Title I - Grants to Local Educational Agencies	84.010	2,107,133	0	2,102,083	0
Improving Teacher Quality States Grants	84.367	262,117	0	262,061	0
Student Support and Academic Enrichment Program	84.424	28,446	0	32,006	0
<b>Total U.S. Department of Education</b>		<u>3,957,083</u>	<u>0</u>	<u>3,749,537</u>	<u>0</u>
<b><u>U.S. Department of Transportation</u></b>					
<i>Passed through Ohio Department of Transportation</i>					
Highway Planning and Construction	20.205	9,761	0	9,761	0
<b>Total U.S. Department of Transportation</b>		<u>9,761</u>	<u>0</u>	<u>9,761</u>	<u>0</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ 6,403,065</u>	<u>\$ 219,337</u>	<u>\$ 6,199,792</u>	<u>\$ 219,337</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**EUCLID CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2019**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Euclid City School District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented 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 Euclid City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Euclid City School District.

**NOTE 2: 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3: INDIRECT COST RATE**

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

**NOTE 4: CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**NOTE 5: FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

**EUCLID CITY SCHOOL DISTRICT  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 UNIFORM GUIDANCE  
 JUNE 30, 2019**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2019(i)	Type of Financial Statement Opinion	Unmodified
2019(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2019(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2019(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2019(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2019(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2019(v)	Type of Major Programs' Compliance Opinions	Unmodified
2019(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2019(vii)	Major Programs (list):  Title I - Grants to Local Educational Agencies - CFDA #84.010	
2019(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2019(ix)	Low Risk Auditee?	Yes

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

None.

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

None.

**EUCLID CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2019**

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The prior audit report, as of June 30, 2018, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



**EUCLID CITY SCHOOL DISTRICT**

Euclid, Ohio



**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

# **EUCLID CITY SCHOOL DISTRICT**

Euclid, Ohio



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

Prepared by:

Treasurer's Office

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INTRODUCTORY SECTION

**Euclid City School District**

*Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2019*

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*Comprehensive Annual Financial Report  
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**Euclid City School District**

*Comprehensive Annual Financial Report  
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**Euclid City School District**

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**Euclid City School District**

*Comprehensive Annual Financial Report  
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December 20, 2019

Members of the Board of Education and  
Residents of the Euclid City School District

Dear Board Members and Residents:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Euclid City School District, Ohio. This CAFR, which includes an unmodified (“clean”) opinion from James G. Zupka, CPA, Inc. conforms to generally accepted accounting principles as applicable to governmental entities for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that has been 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.

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. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

### **Profile of the School District**

Euclid was officially settled in 1797 by eleven families. In 1830, the village meeting minutes indicated that a sum of \$300 was to be paid to the directors of the Euclid City School District. In 1868, a class of six high school pupils was organized. In 1895, the first high school building was erected. The first class graduated from that building in 1897. By 1896, the Euclid City School District was patterned after a School District plan dividing the City into eleven districts. The eleven districts were consolidated into five buildings. At the close of 1918, there were two high schools, Central and Shore.

During the peak enrollment years of the 1960’s and 1970’s, the School District maintained an enrollment of approximately 11,000 students, precipitating the need for additional buildings to be constructed. As enrollment declined during the 1980’s by approximately 5,000 students, three elementary buildings and one junior high building were closed. Subsequent to that, the State of Ohio greatly expanded the Community School Program and the School Voucher Program which resulted in a decline in enrollment for the School District. For fiscal year 2019, the School District’s enrollment stands at 5,002 while approximately 2,435 resident students either attend community schools or use a state issued voucher to attend private/parochial schools. The School District currently consists of one high school, one middle school, four elementary schools, and an early learning center.

In 2009, a \$40.3 million bond issue was approved by the voters to build four new elementary schools (replacing six elementary buildings). The School District received a 41 percent match from the State's Ohio Schools Facilities Commission. Those new buildings opened in the fall of 2012. This was the first of two segments of a plan to rebuild the entire School District. In 2016, a \$96.3 million bond issue was passed to complete the second phase, which will include the rebuilding of the High School, a construction of a new middle school, a new preschool/kindergarten building and new athletic fields. Again, the State is providing a 41 percent match.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in Division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide educational services authorized and mandated by State and/or Federal agencies.

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the School District (the primary government) and its potential component units. Excluded from the reporting entity because they are fiscally independent of the School District are the City of Euclid, the Parent Teacher Organizations, Community Schools and the Parochial Schools. The School District is associated with two organizations, the Ohio Schools Council and the Euclid Public Library. The Ohio Schools' Council Association is a jointly governed organization whose relationship to the School District is described in Note 19 to the accompanying financial statements. The Euclid Public Library is a related organization and is described in Note 20 to the accompanying financial statements.

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

The School District uses a team approach to meet today's educational challenges and to make school improvements a reality. This team consists of a five-member Board of Education which serves as the taxing authority, contracting body, and policy developers for the School District. The Board adopts the annual operating budget and approves all expenditures of the School District's monies. The administrative team consists of the Superintendent, who is the Chief Executive Officer of the School District and is responsible for providing educational and administrative management leadership for the total operation of the School District, and the Treasurer, who is the Chief Fiscal Officer of the School District and is responsible for maintaining records of all financial matters, issuing warrants and payment of liabilities incurred by the School District, and who also serves as the Chief Financial Officer of all School District funds and investments, as specified by law.

The remaining administrative team members appointed by the Superintendent/School Board include the following: Elementary Curriculum Director, Secondary Curriculum Director, Elementary Student Affairs Director, Secondary Student Affairs Director, Strategic Initiatives Coordinator, Business Director, Technology Director and Human Resource Manager. The above eight individuals, along with the Superintendent and the Treasurer, constitute the senior leadership team which meets to provide recommendations to the Superintendent and also provides problem-solving and policy implementing management to the School District.

## **Local Economy and Relevant Financial Policies**

The School District has the same boundaries as the City of Euclid. The City is bounded on the west by the City of Cleveland, on the north by Lake Erie, and on the south and east by smaller cities.

The City of Euclid has experienced a deterioration of its commercial property tax base in recent years. The School District's commercial and industrial real estate assessed valuation has decreased from \$191 million in tax year 1995 to \$180 million in tax year 2018. The total assessed valuation for all property was \$755 million in tax year 1995 compared to \$644 million in tax year 2018. The City of Euclid has enacted a number of programs, including tax incentive programs, to encourage business growth and development.

The City of Euclid was hit particularly hard during the recession of the late 2000's. The County's sexennial reappraisal in 2012 resulted in a loss of total assessed valuation from \$738 million in tax year 2011 to \$587 million in tax year 2012. After a long, slow recovery, the local real estate market and commercial development news has been encouraging. This was evident in the County's recent sexennial reappraisal in 2018 which reflected a 15.9 percent increase in assessed valuations over tax year 2017. This increase was one of the largest increases within Cuyahoga County. Additionally, Amazon is nearing completion of a 650,000 square foot fulfillment center, which will provide over 1,000 new jobs to the City and add value to the City's commercial tax base.

Of the School District's General Fund budgetary operations, 45 percent of the General Fund cash basis revenue is received from real estate taxes on residential, commercial, and industrial properties. Shared City income tax accounted for 8 percent. Approximately 42 percent is received from various forms of State aid. The balance represented Federal sources, interest earnings and miscellaneous receipts.

The State of Ohio's community school and voucher programs have had a negative effect on the School District's state revenues. Students who transfer to community schools or receive vouchers to attend private/parochial schools essentially take their state per pupil funding along with them to those schools. In fiscal year 2019, approximately \$16.9 million was deducted from the School District's State revenue for those programs.

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. This is a result of House Bill 920 which mandates that any reappraisal property increase results in an approximately equal value decrease in millage. As a result, school districts throughout Ohio must place operating funding issues on the ballot at regular intervals to keep pace with inflation and added programming.

The State of Ohio adopted its 2018-2019 biennial budget in the summer of 2017. This budget, House Bill 49, did not materially change the previous funding formula. The most significant impact to the School District is a "cap" on funding increases to certain districts. As a capped district, the Euclid City Schools increase in State funding will not exceed 3.2 percent in each year of the biennium. The capped increase in the previous biennium was 7.5 percent each year.

## **Financial Information**

### ***Internal Accounting and Budgetary Control***

In developing the School District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes an automated accounting and payroll system as designed by third party vendors. An internal controls system for capital assets is provided by an outside company. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

Prior to the start of each fiscal year, the Board of Education adopts an appropriation measure for that fiscal year. The Board has the ability to adopt temporary appropriations prior to September 30<sup>th</sup>, if permanent appropriations are not yet available. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County's Fiscal Officer certifies that the Board of Education's appropriation measures, including any supplements or amendments do not exceed the amount set forth in the latest of those official estimates (See Note 2 for additional budgetary information).

### **Long-Term Financial Planning**

The School District is the only school district in the State of Ohio with an enacted shared City/School income tax. The shared City income tax, enacted in 1994, is 0.85 percent City voted income tax of which 0.47 percent was for the School District and 0.38 percent for the City. The School District and City continue to be partners in redeveloping various industrial sites in the City of Euclid that are currently vacant and/or under-utilized.

In 2004, a 2.5 mill continuing permanent improvement levy was passed by the voters. These funds were intended to be used for costs associated with a School District wide reorganization, which included the reopening of two elementary schools, and ongoing capital improvements.

In November 2008, a ten-year \$5.6 million emergency levy was approved by the voters of the School District. At that time, approximately 6.9 mills was assessed beginning with the 2008 tax year (2009 collection year) and end with the 2017 tax year (2018 collection year). The renewal of this levy in 2018 was vital to the ongoing financial stability of the School District and meet the continued funding challenges created by H.B. 920. This renewal levy attempt failed in November 2018 and the revenue generated by the original levy will cease to be collected beginning in calendar year 2019.

In November 2012, a ten-year \$5.4 million emergency levy was approved by the voters of the School District. At that time, approximately 9.0 mills was assessed beginning with the 2012 tax year (2013 collection year) and end with the 2021 tax year (2022 collection year). The School District's current and future financial health is linked to the continuation of this emergency levy. As mentioned previously, the local community's share of the School District's operating revenue is approximately 45 percent.

The School District has a comprehensive technology plan for moving into the twenty-first century. The School District is well known for accomplishments in the area of integrating technology into the instructional process. Both students and staff are supported by trained personnel whose main focus is technology support.

The School District is in the midst of its second and final phase of completely rebuilding its facilities. This was made possible by entering into agreements with the Ohio Facilities Commission and passage of two bond issues previously mentioned. Any long range planning for the foreseeable future for facilities will focus on maintenance only.

### **Major Initiatives**

In the fall of 2012, our School District established three clear, comprehensive goals that continue to guide our efforts:

1. Increase student achievement
2. Practice fiscal responsibility
3. Improve our credibility in the community

School District administrators craft all programs and initiatives within this framework and regularly report their specific efforts and progress.

In 2016-17, the Euclid City Schools achieved two milestones that will greatly shape the education we provide to our students for years to come. First, the voters of Euclid approved Issue 111 to fund a \$135 million construction project with three major foci:

- Conversion of the facility previously known as Forest Park Middle School to an Early Learning Village that will become in the fall of 2019 the home for all School District Kindergarten and Pre-Kindergarten students.
- Construction of a secondary complex on the current Euclid High School campus. This complex will include a new middle school for all School District sixth through eighth grade students, renovations to the athletic and music wings of the current EHS, and construction of new classroom wings for ninth through twelfth grade students.
- Improvements to the School District's athletic facilities directly behind Memorial Park and adjacent to our secondary campus in Memorial Park. These improvements include conversion of the current high school stadium into a smaller facility for middle school athletics, and the construction of a new varsity football stadium.

All improvements lead to the provision of first-class facilities and learning environments for our students and community.

The School District and community leaders continued the work that began in the 2016-2017 school year to collaboratively develop a Strategic Plan, entitled, “Our Euclid: 2017-21.” Over 60 school administrators, teachers, staff members, parents, and civic representatives divided into six Pillar subcommittees to form vision statements, goals, data indicators, and action plans for their respective focus. Their efforts will structure our improvement efforts over the next four school years. The following are the vision statements for the School District and, then, for each Pillar:

- School District: From pre-kindergarten through senior year, the Euclid City School District will provide an excellent education to our students and serve as an asset to our community. Our graduates will emerge from their high school experiences with college credit and/or industrial certifications. Our professional staff will work to ensure that we deliver research-based instruction in every lesson, engaging every student, every day.
  - Community Campuses: Our Euclid Schools will function as 18-hour facilities to serve the whole child, their families and the entire community.
  - Early Learning: Our Euclid Schools will provide a high-quality preschool program and transition early learners into kindergarten and beyond. We will strengthen the enrollment of our School District and ensure that our earliest learners are ready for success.
  - Schools of Choice: We will align each of our elementary schools to a theme and secure appropriate community partners that best meet the needs and/or interests of Euclid children. Themed elementary schools will feed into pathways at the secondary level that further develop students’ interests and talents in a specific field.
  - Culture of Achievement: Our Euclid Schools will feature environments that illustrate our School District’s commitment to achievement. Schools will be organized, positive environments in which all students take responsibility for their achievement while interacting with role models that embrace and teach the growth mindset. Students will engage in both curricular and extracurricular opportunities to become proud members of their school and the Euclid community. We will celebrate academic achievement at all levels.
  - Career and College Preparation: Students will leave Euclid High School with an industry credential, college semester hours, or both. This distinction will make our graduates among the best prepared in the region for success after graduation. Our success will be reflected both in the testimonials of our graduates and in the “Prepared for Success” measure on our school report card.
  - Marketing and Recruiting: We will tell our story through channels that reach every member of our community. We will engage with, develop, and invest in the educational experience of our students, their families, and the greater community. Our community will view us as the best choice for education. Our “Block E” will become a symbol representing the excellence we produce.

The Strategic Planning committee members continue to meet to monitor progress toward our goals and ensure the implementation of action steps.



## **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 Euclid City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the second year that the government has achieved this prestigious award since last receiving the award in fiscal year 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## **Acknowledgements**

The publication of this report maintains a high level of accountability of the School District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the entire Treasurer's Office and various administrators and employees of the School District. Assistance of the County Fiscal Officer's staff and other outside agencies made possible the fair presentation of the statistical data.

Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Matthew Brown".

Matthew Brown, Treasurer

**PRINCIPAL OFFICIALS**

**JUNE 30, 2019**

**BOARD OF EDUCATION**

Mrs. Donna Sudar	President
Mrs. Kathy DeAngelis	Vice-President
Mr. Steve Johnson, Jr.	Member
Mrs. Angela Lisy	Member
Mrs. Tisha Thomas	Member

**SUPERINTENDENT**

Dr. Marvin B. Jones (*see note below*)

**TREASURER**

Mr. Stephen Vasek (*see note below*)

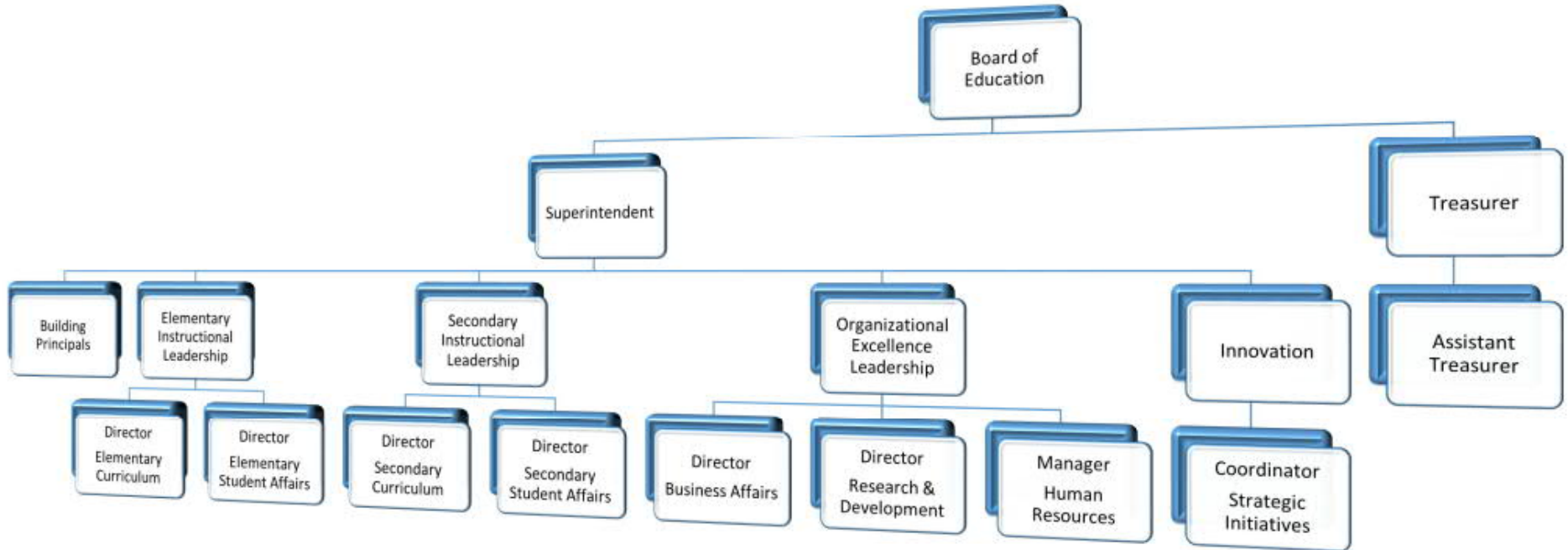
**ADMINISTRATION**

Florence Masella	Director of Elementary Curriculum
Sherrell Benton	Director of Elementary Student Affairs
Janis Svoboda	Director of Secondary Curriculum
Tajuana Hunnicutt	Director of Secondary Student Affairs
Patrick Higley	Director of Business Affairs
James Yane	Director of Research and Development
Sue Maroney	Manager of Human Resources
Karen Brown	Coordinator of Strategic Initiatives

**Note:** Effective August 13, 2019, Chris Papouras replaced Dr. Marvin B. Jones as interim superintendent of the Euclid City School District. Mr. Stephen Vasek retired as of July 31, 2019. Mr. Matthew Brown replaced him as treasurer of Euclid City School District.

# ORGANIZATIONAL CHART

JUNE 30, 2019





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Euclid City School District**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



FINANCIAL SECTION

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Board of Education  
Euclid City School District  
Euclid, Ohio

The Honorable Keith Faber  
Auditor of State  
State of Ohio

**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 Euclid City School District, Cuyahoga 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Euclid City School District 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 for the year then ended in accordance with 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 that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information 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, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 20, 2019

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## Euclid City School District

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)*

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

### **Financial Highlights**

Key financial highlights for 2019 are as follows:

- In total, net position increased \$14,263,715 or by 56.9 percent. Net position of governmental activities increased \$14,105,593 which represents a 55.4 percent increase from 2018 to 2019. Net position of business-type activities increased \$158,122 which represents a 40.4 percent increase from 2018 to 2019. Effects of GASB Statements 68 and 75 are the main drivers to these substantial increases in net position.
- General revenues accounted for \$82,051,272 or 86.7 percent of all governmental revenues. Program specific revenues in the form of charges for services and operating and capital grants and contributions accounted for \$12,585,147 or 13.3 percent of total governmental revenues of \$94,636,419.
- Total assets of governmental activities experienced an increase of \$5,940,325 as current assets decreased by \$35,670,008 or 16.6 percent and capital assets increased by \$36,872,866 or 39.4 percent. This increase is mainly attributed to the construction projects being in full swing during the fiscal year and construction investments being spent towards construction in progress. Total liabilities of governmental activities decreased by \$16,892,128 or 6.4 percent. As mentioned above, the effects of GASB Statements 68 and 75 are the main drivers for the decrease in total liabilities.
- Total deferred outflows of resources for governmental activities decreased by \$6,102,659 or 21.1 percent and the deferred inflows of resources for governmental activities increased by \$2,624,201 or 5.4 percent. Both of these fluctuations can be attributed to significant changes to the actuarial assumptions related to the calculations of the net pension/OPEB liabilities and asset. Refer to Notes 16 and 17 included within for further explanations.
- The School District had \$80,530,826 in expenses related to governmental activities; only \$12,585,147 of those expenses were offset by program specific charges for services and operating grants and contributions. General revenues (primarily taxes and grants and entitlements) of \$82,051,272 were sufficient to fully cover these programs.
- The General Fund had \$78,436,709 in revenues (including other financing sources) and \$76,625,890 in expenditures (including other financing uses). The fund balance of the General Fund increased from \$8,070,516 to \$9,881,335.

## Euclid City School District

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)*

### Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District as 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 School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term, as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, with all other nonmajor funds presented in total in one column. In the case of the School District, the General Fund, Bond Retirement Fund, Building Fund and Classroom Facilities Fund are considered to be significant funds.

### Reporting the School District as a Whole

#### *Statement of Net Position and Statement of Activities*

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

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

In the Statement of Net Position and Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant services, pupil transportation, and extracurricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's food service and customer services are reported as business-type activities.

## Euclid City School District

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)*

### Reporting the School District's Most Significant Funds

#### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 14. Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Bond Retirement Fund, Building Fund and the Classroom Facilities Fund. The School District's three types of funds: governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the basic financial statements.

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

*Proprietary Funds* Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District uses internal service funds to account for a general rotary fund and self-insurance programs related to workers compensation insurance and medical/dental insurance. The assets, liabilities, and net position of the internal service funds have been included within the governmental activities.

*Fiduciary Funds* The School District has two agency funds including a Student Managed Activities and a School District Agency Fund which accounts for the hosting of Ohio High School Athletics Association Tournaments, for holding retainage balances from the School's construction projects and unclaimed funds. The School District's fiduciary activities are reported in the Statement of Assets and Liabilities - Fiduciary Funds. We exclude these activities from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

## Euclid City School District

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
(Unaudited)*

### The School District as a Whole

You may recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for 2019 compared to 2018:

**Table 1 - Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>ASSETS</b>						
Current assets	\$ 178,759,090	\$ 214,429,098	\$ 2,008,547	\$ 1,855,040	\$ 180,767,637	\$ 216,284,138
Net other post-employment asset	4,737,467	-	-	-	4,737,467	-
Capital assets	130,483,958	93,611,092	366,434	410,648	130,850,392	94,021,740
<b>Total Assets</b>	<b>313,980,515</b>	<b>308,040,190</b>	<b>2,374,981</b>	<b>2,265,688</b>	<b>316,355,496</b>	<b>310,305,878</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>22,850,198</b>	<b>28,952,857</b>	<b>362,161</b>	<b>344,800</b>	<b>23,212,359</b>	<b>29,297,657</b>
<b>LIABILITIES</b>						
Current liabilities	19,129,415	16,582,591	113,752	78,676	19,243,167	16,661,267
Long-term liabilities						
Due within one year	4,035,521	3,352,922	8,744	7,394	4,044,265	3,360,316
Due in more than one year:						
Other amounts	132,628,408	134,236,336	16,384	12,584	132,644,792	134,248,920
Net pension liability	81,834,338	88,993,122	1,887,324	1,933,076	83,721,662	90,926,198
Net other post-employment liability	8,468,026	19,822,865	738,102	693,698	9,206,128	20,516,563
<b>Total Liabilities</b>	<b>246,095,708</b>	<b>262,987,836</b>	<b>2,764,306</b>	<b>2,725,428</b>	<b>248,860,014</b>	<b>265,713,264</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>51,153,420</b>	<b>48,529,219</b>	<b>206,508</b>	<b>276,854</b>	<b>51,359,928</b>	<b>48,806,073</b>
<b>NET POSITION</b>						
Net investment in capital assets	30,374,205	33,107,881	366,434	410,648	30,740,639	33,518,529
Restricted	66,428,871	60,472,059	-	-	66,428,871	60,472,059
Unrestricted	(57,221,491)	(68,103,948)	(600,106)	(802,442)	(57,821,597)	(68,906,390)
<b>Total Net Position</b>	<b>\$ 39,581,585</b>	<b>\$ 25,475,992</b>	<b>\$ (233,672)</b>	<b>\$ (391,794)</b>	<b>\$ 39,347,913</b>	<b>\$ 25,084,198</b>

The School District has adopted GASB Statement 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27* and (GASB) Statement 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* which significantly revises accounting for pension and other post-employment benefits (OPEB) costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension/OPEB and the net pension/OPEB liability to the reported net position and subtracting deferred outflows related to pension/OPEB and net OPEB asset. It is important to note that the deficits reported in net position are solely attributed to the net pension/OPEB liabilities.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs under GASB Statement 27 and OPEB under GASB Statement 45 focused on a funding approach. This approach limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/OPEB liability*. GASB Statements 68 and 75 takes an earnings approach to pension/OPEB accounting; however, the nature of Ohio's statewide

## Euclid City School District

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
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pension systems and the state law which governs those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the standards required by GASB Statements 68 and 75, the net pension/OPEB liability equals the School District's proportionate share of each plan's collective:

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

GASB notes that pension/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. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The 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 pension system. In Ohio, there is no legal means to enforce the unfunded liabilities of the retirement systems *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 systems are responsible for the administration of the plan.

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/OPEB liability. As explained above, changes in retirement benefits, contribution rates, and return on investments affect the balance of the net pension/OPEB liability, 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 retirement payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension/OPEB liability is satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

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

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As a result of implementing GASB Statements 68 and 75, the School District is reporting a net pension/OPEB liability, net OPEB asset and deferred inflows/outflows of resources related to pensions/OPEB on the accrual basis of accounting.

As the previous narrative explained in further detail, the recognition of the net pension/OPEB liability and the related deferred outflows/inflows distort the true picture of the School District's financial position. To gain a better picture of the School District's net position it is important to focus on the impact of other financial items within the Statement of Net Position. Some key items are as follows:

- Current assets of the governmental activities decreased by \$35,670,008 or 16.6 percent. The contributing factor is the construction projects ramping up during fiscal year 2019 and as a result more of the School District's investment balances were spent down. The capital assets of the governmental activities increased by \$36,872,866 or 39.4 percent. This is due to additions to construction in progress from the ongoing school facilities construction project.
- The current liabilities of the governmental activities increased by \$2,546,824 or 15.4 percent. Outstanding construction projects related to the major facilities project continued near the end of fiscal year 2019, which lead to an increase in construction payment accruals being recognized. As a result, contracts payable increased \$2,000,595 over the prior fiscal year. Long-term liabilities, excluding the net pension/OPEB liabilities, decreased by \$1,607,928. This decrease is mainly contributed to the reduction of long-term debt from annual debt service payments made during the fiscal year.
- The changes in the governmental activities' deferred outflows of resources and deferred inflows of resources can solely be tied to the effects of GASB Statements 68 and 75 and their changes to actuarial assumptions.
- Current assets of the business-type activities increased by \$153,507 or 8.3 percent. The increase in current assets can mainly be attributed to the increase in the equity in pooled cash, cash equivalents and investment of \$157,853 over the prior year from the School District's efforts to control costs within the revenues generated in the food service operations.
- Total liabilities for the business-type activities increased by \$38,878 or 1.4 percent. The increase can be attributed to a matured compensated absence payable due for fiscal year 2019 and only \$46 due for fiscal year 2018.

The net positions of both the governmental and business-type activities are reflecting increases from the prior fiscal year. Keeping the aforementioned discussions in mind of the impact of the net pension/OPEB liabilities and related deferred outflows/inflows, a more accurate picture of the School District's operations can be provided.



## Euclid City School District

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Table 2 shows the changes in net position for fiscal year 2019 compared to 2018.

#### Table 2 - Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>REVENUES</b>						
<i>Program Revenues</i>						
Charges for services	\$ 1,652,364	\$ 1,333,160	\$ 137,611	\$ 111,729	\$ 1,789,975	\$ 1,444,889
Operating grants and contributions	10,731,583	10,982,431	2,667,444	2,574,033	13,399,027	13,556,464
Capital grants and contributions	201,200	-	-	-	201,200	-
<i>Total Program Revenues</i>	<u>12,585,147</u>	<u>12,315,591</u>	<u>2,805,055</u>	<u>2,685,762</u>	<u>15,390,202</u>	<u>15,001,353</u>
<i>General Revenues</i>						
Property taxes	43,520,997	43,340,061	-	-	43,520,997	43,340,061
Income taxes	5,751,255	6,082,699	-	-	5,751,255	6,082,699
Grants and entitlements	29,163,174	27,413,022	-	-	29,163,174	27,413,022
Payments in lieu of taxes	72,241	80,482	-	-	72,241	80,482
Earnings on investments	2,994,429	1,246,189	33,346	18,497	3,027,775	1,264,686
Grant from Facilities Construction Commission	-	39,891,191	-	-	-	39,891,191
All other revenues	549,176	1,082,492	37,545	42,324	586,721	1,124,816
<i>Total General Revenues</i>	<u>82,051,272</u>	<u>119,136,136</u>	<u>70,891</u>	<u>60,821</u>	<u>82,122,163</u>	<u>119,196,957</u>
<b>Total Revenues</b>	<b><u>94,636,419</u></b>	<b><u>131,451,727</u></b>	<b><u>2,875,946</u></b>	<b><u>2,746,583</u></b>	<b><u>97,512,365</u></b>	<b><u>134,198,310</u></b>
<b>EXPENSES</b>						
<i>Program Expenses</i>						
Instruction:						
Regular	24,733,896	10,938,077	-	-	24,733,896	10,938,077
Special	17,003,235	10,603,372	-	-	17,003,235	10,603,372
Vocational	1,554,730	758,961	-	-	1,554,730	758,961
Other	41,842	12,533	-	-	41,842	12,533
Supporting Services:						
Pupils	6,010,772	3,549,229	-	-	6,010,772	3,549,229
Instructional Staff	1,763,247	476,684	-	-	1,763,247	476,684
Board of Education	67,362	43,582	-	-	67,362	43,582
Administration	3,451,738	(408,856)	-	-	3,451,738	(408,856)
Fiscal Services	2,354,471	2,358,695	-	-	2,354,471	2,358,695
Business	996,073	354,973	-	-	996,073	354,973
Operation and Maintenance of Plant Services	5,773,796	5,610,895	-	-	5,773,796	5,610,895
Pupil Transportation	6,736,190	6,595,739	-	-	6,736,190	6,595,739
Central	2,594,281	1,432,485	-	-	2,594,281	1,432,485
Operation of Non-Instructional Services:						
Food Service Operations	-	21,008	-	-	-	21,008
Community Services	1,063,305	660,290	-	-	1,063,305	660,290
Extracurricular Activities	1,143,895	763,900	-	-	1,143,895	763,900
Interest and Fiscal Charges	5,241,993	5,247,002	-	-	5,241,993	5,247,002
Food Service	-	-	2,690,932	2,314,866	2,690,932	2,314,866
Customer Services	-	-	26,892	26,710	26,892	26,710
<b>Total Expenses</b>	<b><u>80,530,826</u></b>	<b><u>49,018,569</u></b>	<b><u>2,717,824</u></b>	<b><u>2,341,576</u></b>	<b><u>83,248,650</u></b>	<b><u>51,360,145</u></b>
<i>Change in Net Position</i>	14,105,593	82,433,158	158,122	405,007	14,263,715	82,838,165
Net Position - Beginning	25,475,992	(56,957,166)	(391,794)	(796,801)	25,084,198	(57,753,967)
<b>NET POSITION - ENDING</b>	<b><u>\$ 39,581,585</u></b>	<b><u>\$ 25,475,992</u></b>	<b><u>\$ (233,672)</u></b>	<b><u>\$ (391,794)</u></b>	<b><u>\$ 39,347,913</u></b>	<b><u>\$ 25,084,198</u></b>

It is important to note that the changes in net pension/OPEB liabilities/asset are reflected as adjustments to current year expenses. As a result of the significant decreases in both liabilities, the proportionate share of the adjustments has greatly impacted program expenses reflected in the above table. This reason alone explains why program expenses fluctuate greatly from fiscal year 2018 to fiscal year 2019.

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### ***Governmental Activities***

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay \$35.00.

Thus school districts' dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. The School District's largest revenue contributor, property taxes, made up 46.0 percent of revenues for governmental activities in fiscal year 2019. Property taxes slightly increased by \$180,936 or 0.4 percent. The amounts available for advance related to fiscal year 2019 totaled \$6,137,311 compared to \$6,734,691 for fiscal year 2018.

The second largest revenue contributor, state aid or grants and entitlements, represented 30.8 percent of the governmental activity revenue in fiscal year 2019. This revenue is solely generated through the State's Foundation program and is budgeted on a biennium by the State's Legislature. Unrestricted state aid increased by \$1,750,152 or 6.4 percent and this increase is mainly attributed to the annual increase provided in the State funding for the second year of the biennium.

For the governmental activities, current year's program expenses of \$80,530,826 reflect a significant increase from prior year's program expenses of \$49,018,569. As discussed previously, the effects of GASB Statements 68 and 75 on the School District's government-wide statements can create these significant fluctuations and makes it challenging to analysis expenses.

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The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services for 2019 and 2018. Table 3 shows the total cost for services for governmental activities and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3 – Governmental Activities**

EXPENSES	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
<i>Program Expenses</i>				
Instruction	\$ 43,333,703	\$ 22,312,943	\$ 34,027,741	\$ 44,406,492
Supporting Services:				
Pupils and Instructional Staff	7,774,019	4,025,913	6,652,387	9,505,506
Board of Education, Administration, Fiscal Services and Business	6,869,644	2,348,394	6,611,322	8,527,000
Operation and Maintenance of Plant Services	5,773,796	5,610,895	5,151,468	6,705,999
Pupil Transportation	6,736,190	6,595,739	6,705,716	5,608,022
Central	2,594,281	1,432,485	2,573,468	1,820,383
Operation of Non-Instructional Services	1,063,305	681,298	95,406	245,985
Extracurricular Activities	1,143,895	763,900	886,178	1,004,924
Interest and Fiscal Charges	5,241,993	5,247,002	5,241,993	3,236,870
<b>Total Expenses</b>	<b>\$ 80,530,826</b>	<b>\$ 49,018,569</b>	<b>\$ 67,945,679</b>	<b>\$ 81,061,181</b>

The table above reflects how the School District funds its programs through program revenues. Instruction, supporting services, non-instructional services, extracurricular activities, and interest charges rely heavily on general revenues. The large decrease in program expenses is a result of GASB Statements 68 and 75, as previously discussed. To gain a better understanding of operations, refer to the fund analysis on the following pages.

### ***Business Type Activities***

Business-type activities include the food service operation and culinary arts customer service operation. These programs had revenues of \$2,875,946 and expenses of \$2,717,824 in fiscal year 2019. During fiscal year 2019, the food service program experienced an increase in net position while the culinary arts customer service program experienced a decrease in net position. The largest increase in net position can be attributed to the food service activity as a result of the School District's ability to control costs within the revenues generated. Reviews of these operations, including consideration of price adjustments and expense control, is ongoing.

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### The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. These funds are reported in the fund financial statements which reflect the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the School District, the General Fund, Bond Retirement Fund, Building Fund and Classroom Facilities Fund are considered to be significant funds. The School District's governmental funds reported a total fund balance of \$81,478,336. This represents a decrease over the fiscal year 2018 total governmental fund balance of \$108,545,315. A closer look into what led to this change in fund balance is provided:

#### General Fund

When compared to fiscal year 2018, the fiscal year 2019 fund balance of the School District's General Fund increased \$1,810,819 or 22.4 percent. The following table provides a comparison by fiscal year of the revenue categories of the General Fund:

	2019	2018	Change
<b>Revenues:</b>			
Taxes:			
Property	\$ 35,386,439	\$ 36,735,843	\$ (1,349,404)
Income	5,751,255	6,082,699	(331,444)
State aid	33,102,310	31,655,705	1,446,605
Federal aid	768,785	483,086	285,699
Earnings on investments	1,032,385	416,570	615,815
Other revenues	2,395,535	2,083,171	312,364
<b>Total Revenues</b>	<b>\$ 78,436,709</b>	<b>\$ 77,457,074</b>	<b>\$ 979,635</b>

As noted above, property taxes decreased considerably. This decrease is attributed to the 2008 emergency levy that expired at the end of tax year 2018. As a result of this levy expiration, the School District will lose approximately \$5.6 million on a calendar basis. Due to the School District's fiscal year dates, the School District only received approximately half of the property taxes from this levy. State aid increased as a result of the State's budgeted increase of state aid for capped districts. Federal aid increased due to a second settlement that was received near the end of the fiscal year that was expected to be received in fiscal year 2020. Earnings on investments also experienced an increase due to higher interest rates and the School District's cash management practices concerning cash flows which allowed the School District to maximize investment opportunities.

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As of June 30, 2019, the expenditures of the General Fund experienced an increase of \$1,797,034 from fiscal year 2018. The following table identifies the major expenditure functions of the General Fund and provides a comparison by fiscal year of these expenditures:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
<b>Expenditures:</b>			
Instruction	\$ 44,935,710	\$ 43,240,701	\$ 1,695,009
Supporting services	30,137,013	30,062,932	74,081
Community services	141,156	161,976	(20,820)
Extracurricular activities	966,940	918,176	48,764
Debt service	77,626	77,626	-
<b>Total Expenditures</b>	<b><u>\$ 76,258,445</u></b>	<b><u>\$ 74,461,411</u></b>	<b><u>\$ 1,797,034</u></b>

Increases in instruction and community services expenditures are mainly contributed to annual increases in salaries and wages as permitted through specific union contracts. These salaries and wages increases also impact those fringe benefits that are directly tied to them, such as pension contributions, Medicare contributions and workers' compensation contributions.

### ***Bond Retirement Fund***

The fund balance of the Bond Retirement Fund increased by \$1,522,694 compared to fiscal year 2018. An increase in property taxes received was the main driver for the increase to the fund balance.

### ***Building Fund***

The fund balance of the Building Fund decreased by \$16,022,235 compared to fiscal year 2018. During fiscal year 2019, the School District continued with the locally funded initiative (LFI) portion of the overall school facilities project which led to the significant decrease in fund balance. This fund is responsible for tracking the LFI portion of the school facilities project.

### ***Classroom Facilities Fund***

The fund balance of the Classroom Facilities Fund decreased by \$15,258,327 compared to fiscal year 2018. This was the first full year where construction was performed on the co-funded portion of the school facilities project. This fund is responsible for tracking both the local share and state share established through the agreement with Ohio Facilities Construction Commission (OFCC).

### **General Fund Budgeting Highlights**

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

During the course of fiscal year 2019, the School District amended its General Fund budget. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

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For the General Fund, the total final budget basis revenue was decreased to \$72,180,301 from the total original budget estimate of \$75,321,096 (including other financing sources), due mainly to a decrease in the estimates of property taxes and state aid. In total, actual revenues of \$77,683,366 were higher than amended final revenues of \$72,180,301. Actual tax revenues were higher than the final amended budget in income taxes and unrestricted State Aid and lower in property taxes.

The final appropriations of \$81,055,482 (including other financing uses) were the same as the original appropriations. Actual expenditures came in under the final appropriations.

The School District's ending unobligated cash balance was \$7,296,247 under the final budgeted amount.

### Capital Assets and Debt Administration

#### Capital Assets

At the end of fiscal year 2019, the School District had \$130,850,392 invested in land, construction in progress, intangible assets, land improvements, buildings and improvements, furniture and equipment, and vehicles of which, \$130,483,958 represented governmental activities. Table 4 shows fiscal year 2019 balances compared to 2018.

**Table 4 - Capital Assets at June 30 (net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Nondepreciable</b>						
Land	\$ 2,340,558	\$ 2,340,558	\$ -	\$ -	\$ 2,340,558	\$ 2,340,558
Construction in progress	49,195,196	18,064,832	-	-	49,195,196	18,064,832
Intangible	44,393	44,393	-	-	44,393	44,393
<i>Total Nondepreciable</i>	<u>51,580,147</u>	<u>20,449,783</u>	<u>-</u>	<u>-</u>	<u>51,580,147</u>	<u>20,449,783</u>
<b>Depreciable</b>						
Land improvements	13,186,229	5,151,892	-	-	13,186,229	5,151,892
Buildings and improvements	65,088,911	66,909,916	8,550	8,850	65,097,461	66,918,766
Furniture and equipment	525,346	773,452	357,884	401,798	883,230	1,175,250
Vehicles	103,325	326,049	-	-	103,325	326,049
<i>Total Depreciable</i>	<u>78,903,811</u>	<u>73,161,309</u>	<u>366,434</u>	<u>410,648</u>	<u>79,270,245</u>	<u>73,571,957</u>
<b>Total Capital Assets</b>	<u><b>\$ 130,483,958</b></u>	<u><b>\$ 93,611,092</b></u>	<u><b>\$ 366,434</b></u>	<u><b>\$ 410,648</b></u>	<u><b>\$ 130,850,392</b></u>	<u><b>\$ 94,021,740</b></u>

Ohio law required school districts to set aside a defined percent of certain revenues for capital improvements. For fiscal 2019, this amounted to \$877,250 for the set-aside. In fiscal year 2019, the School District had qualifying disbursements or offsets exceeding the requirement. The School District has budgeted to meet this requirement.

Additional information on capital asset policies and activity are contained in Notes 2 and 11 of the basic financial statements.

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### **Debt**

At June 30, 2019, the School District had \$133,148,889 in debt outstanding with \$1,985,897 due within one year. Table 5 summarizes the School District's bonds and notes outstanding.

**Table 5 - Outstanding Debt at Year End**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
<i>General Obligation Bonds, net:</i>		
Energy conservation bonds	\$ 529,500	\$ 619,700
Classroom facilities and school improvements:		
Series 2010	9,205,000	10,420,000
Series 2014 - refunding	21,482,017	21,549,143
Series 2017	100,020,126	100,067,446
Long-term tax anticipation notes	1,830,000	2,255,000
<i>Capital lease</i>	82,246	155,200
<b>Total Outstanding Debt</b>	<b>\$ 133,148,889</b>	<b>\$ 135,066,489</b>

At June 30, 2019, the School District's overall legal debt margin was \$0 with an unvoted debt margin of \$643,682. Section 133.06(I) of the Ohio Revised Code permits a school district to incur net indebtedness in excess of the 9.0 percent 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 Ohio Revised Code. Since the School District entered into a project under Chapter 3318 of the Ohio Revised Code, this exception was included during the calculation of the overall legal debt margin.

As of June 30, 2019, the School District's credit rating, as provided by Moody's, is A-2.

Additional information on debt policies and activity are contained in Notes 2 and 13 of the basic financial statements.

### **For the Future**

The economic downturn that occurred nearly a decade ago presented the School District with financial challenges. Total assessed property values of the School District were reduced by 20.5 percent in the 2012 County sexennial reappraisal. This resulted in a loss in general revenue funds of \$2.1 million annually. Since the 2007 tax year, the total assessed valuation of the School District dropped by 35.8 percent. The County performed its sexennial reappraisal in 2018. As a result of this reappraisal, the Euclid's assessed valuations saw a 16 percent increase over the prior year's assessed valuations. This percentage increase was one of the largest across Cuyahoga County. This was encouraging news that property values are on the increase.

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Through a series of staff reductions, wage and benefit concessions and budgetary cuts, the School District has been able to maintain a sound fiscal footing. The 2018-19 fiscal year marked the sixth consecutive year in which the General Fund's operations ended with an operating surplus (budgetary basis).

Despite the past successes, a levy placed on the November, 2018 ballot to renew a \$5.6 million emergency levy failed. The revenue generated by the original levy will cease to be collected beginning in calendar year 2019. As result, the School District implemented approximately \$3.5 million in personnel and operational reductions effective for fiscal year 2020. The loss of this revenue will require additional budgetary reductions and the need for the School District to go back to the voters of Euclid for new property taxes or for the Board of Education to evaluate other revenue generators such as open enrollment. These will all be on the table going into fiscal year 2020.

The second phase of the School District's facilities program is currently in construction stages. The High School/Middle School athletic complex was substantially completed in summer, 2018. The Preschool/Kindergarten facility is expected to open in August, 2019 and the High School/Middle School complex is expected to open in August, 2020.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Matthew Brown, Treasurer at Euclid City School District, 651 East 222 Street, Euclid, Ohio 44123-2090 or e-mail at [mabrown@euclidschools.org](mailto:mabrown@euclidschools.org).



# Euclid City School District

## Statement of Net Position June 30, 2019

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 41,037,325	\$ 1,829,368	\$ 42,866,693
Investments	59,412,950	-	59,412,950
Income Taxes Receivable	532,655	-	532,655
Property Taxes Receivable	47,490,418	-	47,490,418
Lease Receivable	388,604	-	388,604
Accounts Receivable	718,031	249	718,280
Accrued Interest Receivable	358,053	-	358,053
Intergovernmental Receivable	28,417,366	66,557	28,483,923
Materials and Supplies Inventory	15,078	111,383	126,461
Prepaid Items	388,610	990	389,600
Net Other Post-Employment Asset	4,737,467	-	4,737,467
Capital Assets:			
Nondepreciable Capital Assets	51,580,147	-	51,580,147
Depreciable Capital Assets	78,903,811	366,434	79,270,245
<b>Total Assets</b>	<b>313,980,515</b>	<b>2,374,981</b>	<b>316,355,496</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	250,758	-	250,758
Pensions	21,564,426	313,773	21,878,199
Other Post-Employment Benefits	1,035,014	48,388	1,083,402
<b>Total Deferred Outflows of Resources</b>	<b>22,850,198</b>	<b>362,161</b>	<b>23,212,359</b>
<b>LIABILITIES</b>			
Accounts Payable	803,594	16,430	820,024
Contracts Payable	5,361,001	-	5,361,001
Retainage Payable	117,877	-	117,877
Accrued Wages and Benefits	8,646,648	14,617	8,661,265
Intergovernmental Payable	1,780,721	51,345	1,832,066
Accrued Interest Payable	2,368,698	-	2,368,698
Matured Compensated Absences Payable	12,383	31,360	43,743
Unearned Revenue	38,276	-	38,276
Claims Payable	217	-	217
Long-term Liabilities:			
Due within One Year	4,035,521	8,744	4,044,265
Due in more than One Year:			
Other Amounts	132,628,408	16,384	132,644,792
Net Pension Liability	81,834,338	1,887,324	83,721,662
Net Other Post-Employment Benefits Liability	8,468,026	738,102	9,206,128
<b>Total Liabilities</b>	<b>246,095,708</b>	<b>2,764,306</b>	<b>248,860,014</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	32,093,195	-	32,093,195
Payments in Lieu of Taxes	59,431	-	59,431
Pensions	9,766,206	122,872	9,889,078
Other Post-Employment Benefits	9,234,588	83,636	9,318,224
<b>Total Deferred Inflows of Resources</b>	<b>51,153,420</b>	<b>206,508</b>	<b>51,359,928</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	30,374,205	366,434	30,740,639
Restricted:			
Capital Projects	52,360,956	-	52,360,956
Debt Service	11,482,116	-	11,482,116
State Funded Programs	50,894	-	50,894
Classroom Facilities Maintenance	1,931,177	-	1,931,177
Student Activities	28,632	-	28,632
Set-Asides	476,511	-	476,511
Other Purposes	98,585	-	98,585
Unrestricted (Deficit)	(57,221,491)	(600,106)	(57,821,597)
<b>Total Net Position</b>	<b>\$ 39,581,585</b>	<b>\$ (233,672)</b>	<b>\$ 39,347,913</b>

The notes to the financial statements are an integral part of this statement.

# Euclid City School District

## Statement of Activities For the Fiscal Year Ended June 30, 2019

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 24,733,896	\$ 1,238,822	\$ 610,180	\$ -
Special	17,003,235	-	7,049,117	-
Vocational	1,554,730	-	407,843	-
Other	41,842	-	-	-
Supporting Services:				
Pupils	6,010,772	-	431,743	-
Instructional Staff	1,763,247	-	689,889	-
Board of Education	67,362	-	-	-
Administration	3,451,738	-	154,618	-
Fiscal Services	2,354,471	65,963	37,741	-
Business	996,073	-	-	-
Operation and Maintenance of Plant Services	5,773,796	84,727	336,401	201,200
Pupil Transportation	6,736,190	30,474	-	-
Central	2,594,281	5,903	14,910	-
Operation of Non-Instructional Services:				
Community Services	1,063,305	-	967,899	-
Extracurricular Activities	1,143,895	226,475	31,242	-
Interest and Fiscal Charges	5,241,993	-	-	-
<b>Total Governmental Activities</b>	<b>80,530,826</b>	<b>1,652,364</b>	<b>10,731,583</b>	<b>201,200</b>
<b>Business-Type Activities:</b>				
Food Services	2,690,932	123,446	2,660,341	-
Customer Services	26,892	14,165	7,103	-
<b>Total Business-Type Activities</b>	<b>2,717,824</b>	<b>137,611</b>	<b>2,667,444</b>	<b>-</b>
<b>Totals</b>	<b>\$ 83,248,650</b>	<b>\$ 1,789,975</b>	<b>\$ 13,399,027</b>	<b>\$ 201,200</b>

**General Revenues:**

Property Taxes levied for:  
    General Purposes  
    Debt Service Purpose  
    Capital Outlay  
    Other Purposes  
Income Taxes levied for:  
    General Purposes  
Payments in Lieu of Taxes  
Grants & Entitlements not restricted to specific programs  
Earnings on Investments  
Gain on Sale of Capital Assets  
Miscellaneous Revenues  
**Total General Revenues**

Change in Net Position

Net Position - Beginning  
**Net Position - Ending**

The notes to the financial statements are an integral part of this statement.

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

Governmental Activities	Business-Type Activities	Total
\$ (22,884,894)	\$ -	\$ (22,884,894)
(9,954,118)	-	(9,954,118)
(1,146,887)	-	(1,146,887)
(41,842)	-	(41,842)
(5,579,029)	-	(5,579,029)
(1,073,358)	-	(1,073,358)
(67,362)	-	(67,362)
(3,297,120)	-	(3,297,120)
(2,250,767)	-	(2,250,767)
(996,073)	-	(996,073)
(5,151,468)	-	(5,151,468)
(6,705,716)	-	(6,705,716)
(2,573,468)	-	(2,573,468)
(95,406)	-	(95,406)
(886,178)	-	(886,178)
(5,241,993)	-	(5,241,993)
<u>(67,945,679)</u>	<u>-</u>	<u>(67,945,679)</u>
-	92,855	92,855
-	(5,624)	(5,624)
-	87,231	87,231
<u>(67,945,679)</u>	<u>87,231</u>	<u>(67,858,448)</u>
34,428,120	-	34,428,120
8,277,877	-	8,277,877
566,482	-	566,482
248,518	-	248,518
5,751,255	-	5,751,255
72,241	-	72,241
29,163,174	-	29,163,174
2,994,429	33,346	3,027,775
460,985	-	460,985
88,191	37,545	125,736
<u>82,051,272</u>	<u>70,891</u>	<u>82,122,163</u>
14,105,593	158,122	14,263,715
25,475,992	(391,794)	25,084,198
<u>\$ 39,581,585</u>	<u>\$ (233,672)</u>	<u>\$ 39,347,913</u>

## Euclid City School District

### Balance Sheet – Governmental Funds June 30, 2019

	General	Bond Retirement	Building	Classroom Facilities
<b>Assets:</b>				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 13,106,322	\$ 11,236,510	\$ 42,557	\$ 628,157
Investments	-	-	13,039,107	46,373,843
Materials and Supplies Inventory	15,078	-	-	-
Accrued Interest Receivable	114,278	-	56,701	187,074
Accounts Receivable	715,019	-	-	-
Due from Other Funds	127,000	-	-	-
Intergovernmental Receivable	478,358	-	-	26,884,372
Prepaid Items	104,843	65,104	-	-
Income Taxes Receivable	532,655	-	-	-
Property Taxes Receivable	37,764,118	8,297,692	-	-
Lease Receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 52,957,671</b>	<b>\$ 19,599,306</b>	<b>\$ 13,138,365</b>	<b>\$ 74,073,446</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 611,599	\$ -	\$ 959	\$ 4,179
Accrued Wages and Benefits	8,240,466	-	-	-
Contracts Payable	-	-	1,038,724	4,322,277
Intergovernmental Payable	1,652,591	-	-	-
Matured Compensated Absences Payable	12,383	-	-	-
Retainage Payable	-	-	22	117,855
Due to Other Funds	-	-	-	-
Claims Payable	-	-	-	-
<b>Total Liabilities</b>	<b>10,517,039</b>	<b>-</b>	<b>1,039,705</b>	<b>4,444,311</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	25,656,176	5,497,234	-	-
Payments in Lieu of Taxes	59,431	-	-	-
Unavailable Revenue - Delinquent Property Taxes	5,970,631	1,380,953	-	-
Unavailable Revenue - Grants	-	-	-	26,884,372
Unavailable Revenue - Other	873,059	-	20,390	67,273
<b>Total Deferred Inflows of Resources</b>	<b>32,559,297</b>	<b>6,878,187</b>	<b>20,390</b>	<b>26,951,645</b>
<b>Fund Balances:</b>				
Nonspendable	119,921	65,104	-	-
Restricted	-	12,656,015	12,078,270	42,677,490
Committed	66,147	-	-	-
Assigned	4,300,326	-	-	-
Unassigned	5,394,941	-	-	-
<b>Total Fund Balances</b>	<b>9,881,335</b>	<b>12,721,119</b>	<b>12,078,270</b>	<b>42,677,490</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 52,957,671</b>	<b>\$ 19,599,306</b>	<b>\$ 13,138,365</b>	<b>\$ 74,073,446</b>

The notes to the financial statements are an integral part of this statement.

*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2019*

Nonmajor Funds	Total Governmental Funds		
\$ 4,713,033	\$ 29,726,579	<b>Total Fund Balances - Governmental Funds</b>	
-	59,412,950		\$ 81,478,336
-	15,078	<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
-	358,053		
3,012	718,031	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	130,483,958
-	127,000		
590,993	27,953,723		
-	169,947		
-	532,655		
1,428,608	47,490,418		
388,604	388,604		
\$ 7,124,250	\$ 166,893,038	Delinquent property taxes	\$ 7,592,631
		Grants	27,474,512
		Other revenues	<u>1,351,826</u>
		Total	36,418,969
\$ 180,523	\$ 797,260	Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the District Internal Service funds are included in Governmental Activities in the Statement of Net Position.	
406,182	8,646,648		
-	5,361,001		
128,130	1,780,721		
-	12,383		
-	117,877		
127,000	127,000	The unearned revenue represents interest income received in the future, but not earned as of the inception of the lease receivable.	
217	217	(38,276)	
842,052	16,843,107		
		The net pension liability and net OPEB liability are not due and payable in the current period; and the net OPEB asset is not available for spending in the current period; therefore, the asset, liability and related deferred outflows/inflows are not reported in governmental funds:	
		Deferred outflows - pensions	21,564,426
		Deferred outflows - other post-employment benefits	1,035,014
		Deferred inflows - pensions	(9,766,206)
		Deferred inflows - other post-employment benefits	(9,234,588)
		Net other post-employment benefits asset	4,737,467
		Net pension liability	(81,834,338)
		Net other post-employment benefits	<u>(8,468,026)</u>
		Total	(81,966,251)
		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	(126,134,490)
		Tax anticipation notes payable	(1,830,000)
		Lease payable	(82,246)
		Bond accretion	(251,258)
		Unamortized bond premiums	(6,488,881)
		Unamortized bond discounts	1,637,986
		Deferral on refunding	250,758
		Accrued interest payable	(2,368,698)
		Compensated absences	<u>(2,184,890)</u>
		Total	(137,451,719)
\$ 7,124,250	\$ 166,893,038	<b>Total Net Position - Governmental Activities</b>	
			<u>\$ 39,581,585</u>

**Euclid City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2019*

	General	Bond Retirement	Building	Classroom Facilities
<b>Revenues:</b>				
Taxes:				
Property	\$ 35,386,439	\$ 8,114,255	\$ -	\$ -
Income	5,751,255	-	-	-
Tuition	1,293,734	-	-	-
Transportation Fees	29,759	-	-	-
Earnings on Investments	1,032,385	-	518,304	1,313,881
Extracurricular Activities	46,072	-	-	-
Classroom Materials and Fees	22,649	-	-	-
Rentals	80,910	-	-	-
Contributions and Donations from Private Sources	33,740	-	201,200	-
Miscellaneous Revenues	888,671	-	-	-
Revenues from State Sources:				
Unrestricted Grants-in-Aid	28,498,428	500,065	-	-
Restricted Grants-in-Aid	4,603,882	-	-	6,437,177
Revenues from Federal Sources:				
Restricted Grants-in-Aid	768,785	-	-	-
<b>Total Revenues</b>	<u>78,436,709</u>	<u>8,614,320</u>	<u>719,504</u>	<u>7,751,058</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	26,371,648	-	-	-
Special	16,747,884	-	-	-
Vocational	1,753,957	-	-	-
Other	62,221	-	-	-
Supporting Services:				
Pupils	6,572,890	-	-	-
Instructional Staff	1,484,992	-	-	-
Board of Education	69,879	-	-	-
Administration	4,616,129	-	-	-
Fiscal Services	2,172,664	140,986	12,056	28,910
Business	445,828	-	534,291	70,837
Operation and Maintenance of Plant Services	6,248,685	-	-	-
Pupil Transportation	6,682,416	-	-	-
Central	1,843,530	-	-	-
Operation of Non-Instructional Services:				
Community Services	141,156	-	-	-
Extracurricular Activities	966,940	-	-	-
Facilities Acquisition and Construction Services	-	-	16,195,392	22,909,638
Debt Service:				
Principal Retirements	72,954	1,820,200	-	-
Interest and Fiscal Charges	4,672	5,250,807	-	-
<b>Total Expenditures</b>	<u>76,258,445</u>	<u>7,211,993</u>	<u>16,741,739</u>	<u>23,009,385</u>
Excess (Deficiency) of Revenues over Expenditures	2,178,264	1,402,327	(16,022,235)	(15,258,327)
<b>Other Financing Sources (Uses):</b>				
Sale of Assets	-	-	-	-
Transfers In	-	120,367	-	-
Transfers Out	(367,445)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(367,445)</u>	<u>120,367</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,810,819	1,522,694	(16,022,235)	(15,258,327)
Fund Balances - Beginning	8,070,516	11,198,425	28,100,505	57,935,817
<b>Fund Balances - Ending</b>	<u>\$ 9,881,335</u>	<u>\$ 12,721,119</u>	<u>\$ 12,078,270</u>	<u>\$ 42,677,490</u>

The notes to the financial statements are an integral part of this statement.

*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*

Nonmajor Funds	Total Governmental Funds																																																										
		<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$ (27,066,979)																																																								
<table border="0" style="width: 100%;"> <tr><td style="width: 5%;">\$</td><td style="width: 15%;">819,382</td><td style="width: 5%;">\$</td><td style="width: 15%;">44,320,076</td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td style="text-align: right;">5,751,255</td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td style="text-align: right;">1,293,734</td></tr> <tr><td></td><td style="text-align: right;">715</td><td></td><td style="text-align: right;">30,474</td></tr> <tr><td></td><td style="text-align: right;">48,179</td><td></td><td style="text-align: right;">2,912,749</td></tr> <tr><td></td><td style="text-align: right;">151,397</td><td></td><td style="text-align: right;">197,469</td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td style="text-align: right;">22,649</td></tr> <tr><td></td><td style="text-align: right;">50,786</td><td></td><td style="text-align: right;">131,696</td></tr> <tr><td></td><td style="text-align: right;">63,120</td><td></td><td style="text-align: right;">298,060</td></tr> <tr><td></td><td style="text-align: right;">36,618</td><td></td><td style="text-align: right;">925,289</td></tr> <tr><td></td><td style="text-align: right;">164,681</td><td></td><td style="text-align: right;">29,163,174</td></tr> <tr><td></td><td style="text-align: right;">1,251,009</td><td></td><td style="text-align: right;">12,292,068</td></tr> <tr><td></td><td style="text-align: right;">4,012,054</td><td></td><td style="text-align: right;">4,780,839</td></tr> <tr><td></td><td style="text-align: right;">6,597,941</td><td></td><td style="text-align: right;">102,119,532</td></tr> </table>	\$	819,382	\$	44,320,076		-		5,751,255		-		1,293,734		715		30,474		48,179		2,912,749		151,397		197,469		-		22,649		50,786		131,696		63,120		298,060		36,618		925,289		164,681		29,163,174		1,251,009		12,292,068		4,012,054		4,780,839		6,597,941		102,119,532			
\$	819,382	\$	44,320,076																																																								
	-		5,751,255																																																								
	-		1,293,734																																																								
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	1,251,009		12,292,068																																																								
	4,012,054		4,780,839																																																								
	6,597,941		102,119,532																																																								
		<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>																																																									
		Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.																																																									
		Capital outlay	\$ 39,777,772																																																								
		Depreciation	(2,730,113)																																																								
		Total	37,047,659																																																								
		In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets.																																																									
			(174,793)																																																								
		Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.																																																									
		Delinquent property taxes	(799,079)																																																								
		Grants	(6,749,423)																																																								
		Other revenues	(400,687)																																																								
		Total	(7,949,189)																																																								
		Repayment of the District's debt principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.																																																									
			1,893,154																																																								
		Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.																																																									
			6,205,320																																																								
		Except for amounts reported as deferred inflows/outflows, changes in the net pension/other post-employment benefits liabilities and the net OPEB asset are reported as pension/OPEB expense in the Statement of Activities.																																																									
			4,387,814																																																								
		Revenue reported in the Statement of Activities from the amortization of unearned revenue is not reported as revenue in the Governmental funds.																																																									
			5,889																																																								
		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	(590,365)																																																								
		Bond accretion	(121,628)																																																								
		Amortization of bond premiums	203,451																																																								
		Amortization of bond discounts	(57,377)																																																								
		Amortization of deferral on refunding	(13,198)																																																								
		Accrued interest payable	2,238																																																								
		Total	(576,879)																																																								
		Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenues (expenses) of the Internal Service funds are reported in the Governmental Activities.																																																									
			333,597																																																								
		<b>Total Change in Net Position - Governmental Activities</b>	<b>\$ 14,105,593</b>																																																								

**Euclid City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Budget (Non-GAAP Budgetary Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes:				
Property	\$ 34,660,000	\$ 37,100,379	\$ 34,809,894	\$ (2,290,485)
Income	6,080,000	4,802,598	5,824,028	1,021,430
Tuition	1,177,000	1,070,491	1,298,166	227,675
Transportation Fees	3,000	7,605	9,223	1,618
Earnings on Investments	600,000	744,026	902,267	158,241
Extracurricular Activities	-	1,402	1,700	298
Classroom Materials and Fees	8,500	17,228	20,892	3,664
Miscellaneous Revenues	267,000	286,047	346,884	60,837
Other Revenue Sources	5,000	4,335	5,257	922
Revenues from State Sources:				
Unrestricted Grants-in-Aid	26,755,596	23,393,366	28,368,729	4,975,363
Restricted Grants-in-Aid	4,950,000	3,796,444	4,603,882	807,438
Revenues from Federal Sources:				
Restricted Grants-in-Aid	490,000	631,380	765,663	134,283
<b>Total Revenues</b>	<b>74,996,096</b>	<b>71,855,301</b>	<b>76,956,585</b>	<b>5,101,284</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	26,542,564	26,542,564	26,541,396	1,168
Special	19,085,273	19,085,273	18,133,004	952,269
Vocational	1,539,724	1,539,724	2,058,494	(518,770)
Other	141,466	141,466	67,832	73,634
Supporting Services:				
Pupils	7,030,974	7,030,974	6,535,599	495,375
Instructional Staff	1,864,501	1,864,501	1,548,154	316,347
Board of Education	63,552	63,552	70,698	(7,146)
Administration	4,926,076	4,926,076	4,707,250	218,826
Fiscal Services	2,478,302	2,478,302	2,290,194	188,108
Business	474,221	474,221	463,999	10,222
Operation and Maintenance of Plant Services	6,682,342	6,682,342	6,510,189	172,153
Pupil Transportation	6,767,189	6,767,189	6,972,632	(205,443)
Central	1,978,431	1,978,431	1,846,662	131,769
Operation of Non-Instructional Services	137,926	137,926	139,657	(1,731)
Extracurricular Activities	904,867	904,867	876,445	28,422
<b>Total Expenditures</b>	<b>80,617,408</b>	<b>80,617,408</b>	<b>78,762,205</b>	<b>1,855,203</b>
Excess of Revenues over Expenditures	(5,621,312)	(8,762,107)	(1,805,620)	6,956,487
<b>Other Financing Sources (Uses):</b>				
Transfers In	25,000	25,000	-	(25,000)
Transfers Out	(238,074)	(238,074)	(373,005)	(134,931)
Advances In	-	-	371,560	371,560
Advances Out	-	-	(127,000)	(127,000)
Refund of Prior Year's Expenditures	300,000	300,000	355,221	55,221
Refund of Prior Year's Receipts	-	-	(90)	(90)
Contingencies	(200,000)	(200,000)	-	200,000
<b>Total Other Financing Sources (Uses)</b>	<b>(113,074)</b>	<b>(113,074)</b>	<b>226,686</b>	<b>339,760</b>
Net Change in Budgetary Fund Balance	(5,734,386)	(8,875,181)	(1,578,934)	7,296,247
Budgetary Fund Balance - Beginning of Year	9,884,338	9,884,338	9,884,338	-
Prior Year Encumbrances Appropriated	1,423,003	1,423,003	1,423,003	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 5,572,955</b>	<b>\$ 2,432,160</b>	<b>\$ 9,728,407</b>	<b>\$ 7,296,247</b>

The notes to the financial statements are an integral part of this statement.



**Euclid City School District**  
*Statement of Net Position*  
*Proprietary Funds*  
*June 30, 2019*

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Assets:</b>		
<u>Current Assets</u>		
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 1,829,368	\$ 11,310,746
Materials and Supplies Inventory	111,383	-
Accounts Receivable	249	-
Intergovernmental Receivable	66,557	463,643
Prepaid Items	990	218,663
<i>Total Current Assets</i>	2,008,547	11,993,052
<u>Noncurrent Assets</u>		
Capital Assets:		
Depreciable Capital Assets, Net of Depreciation	366,434	-
<b>Total Assets</b>	2,374,981	11,993,052
<b>Deferred Outflows of Resources:</b>		
Pension	313,773	-
Other Post-Employment Benefits	48,388	-
<b>Total Deferred Outflows of Resources</b>	362,161	-
<b>Liabilities:</b>		
<u>Current Liabilities</u>		
Accounts Payable	16,430	6,334
Accrued Wages and Benefits	14,617	-
Intergovernmental Payable	51,345	-
Matured Compensated Absences Payable	31,360	-
Insurance Claims Payable	-	1,314,479
Workers Compensation Claims Payable	-	8,799
Compensated Absences Payable	8,744	-
<i>Total Current Liabilities</i>	122,496	1,329,612
<u>Noncurrent Liabilities</u>		
Compensated Absences Payable	16,384	-
Workers Compensation Claims Payable	-	6,872
Net Pension Liability	1,887,324	-
Net Other Post-Employment Benefits Liability	738,102	-
<i>Total Noncurrent Liabilities</i>	2,641,810	6,872
<b>Total Liabilities</b>	2,764,306	1,336,484
<b>Deferred Inflows of Resources:</b>		
Pension	122,872	-
Other Post-Employment Benefits	83,636	-
<b>Total Deferred Inflows of Resources</b>	206,508	-
<b>Net Position:</b>		
Investment in Capital Assets	366,434	-
Unrestricted	(600,106)	10,656,568
<b>Total Net Position</b>	\$ (233,672)	\$ 10,656,568

The notes to the financial statements are an integral part of this statement.

**Euclid City School District**  
*Statement of Revenues, Expenses and Changes in Net Position*  
*Proprietary Funds*  
For the Fiscal Year Ended June 30, 2019

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Food Services	\$ 135,015	\$ -
Risk Management	-	9,778,183
Other	2,472	229,096
Commissions	124	-
Other Miscellaneous Revenues	37,545	587,058
<b>Total Operating Revenues</b>	<b>175,156</b>	<b>10,594,337</b>
<b>Operating Expenses:</b>		
Salaries and Wages	1,043,555	13,555
Employee's Retirement and Insurance Benefits	293,208	10,122,444
Purchased Services	41,148	132,208
Supplies and Materials	1,291,392	4,203
Depreciation Expense	44,214	-
Other	4,307	1,806
<b>Total Operating Expenses</b>	<b>2,717,824</b>	<b>10,274,216</b>
Operating Income (Loss)	<b>(2,542,668)</b>	<b>320,121</b>
<b>Nonoperating Revenues (Expenses):</b>		
Earnings on Investments	33,346	-
Contributions and Donations from Private Sources	22,103	7,372
Intergovernmental	2,426,004	6,104
Donated Commodities	219,337	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,700,790</b>	<b>13,476</b>
Change in Net Position	<b>158,122</b>	<b>333,597</b>
Net Position - Beginning of Year	<b>(391,794)</b>	<b>10,322,971</b>
<b>Net Position - End of Year</b>	<b>\$ (233,672)</b>	<b>\$ 10,656,568</b>

The notes to the financial statements are an integral part of this statement.

**Euclid City School District**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Fiscal Year Ended June 30, 2019

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Charges for Food Services	\$ 138,880	\$ -
Receipts from Charges for Risk Management	-	9,778,183
Receipts from Charges for Other Services	2,472	229,096
Other Receipts	42,448	123,415
Payments to Employees for Salaries and Wages	(1,010,934)	(13,555)
Payments to Employees for Retirement and Insurance Benefits	(375,253)	(9,689,484)
Payments to Suppliers and Service Providers for Goods and Services	(1,113,953)	(133,565)
Other Payments	(4,204)	(1,806)
<b>Net Cash provided by (used for) Operating Activities</b>	<b>(2,320,544)</b>	<b>292,284</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Contributions and Donations from Private Sources Received	22,103	7,872
Operating Grants Received	2,422,948	6,104
<b>Net Cash provided by (used for) Noncapital Financing Activities</b>	<b>2,445,051</b>	<b>13,976</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	33,346	-
<b>Net Cash provided by (used for) Investing Activities</b>	<b>33,346</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>157,853</b>	<b>306,260</b>
Cash and Cash Equivalents - Beginning of Year	1,671,515	11,004,486
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,829,368</b>	<b>\$ 11,310,746</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (2,542,668)	\$ 320,121
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Depreciation Expense	44,214	-
Federal Donated Commodities	219,337	-
(Increase) Decrease in Assets and Deferred Outflows:		
Accounts Receivable	3,656	-
Intergovernmental Receivable	4,988	(463,643)
Materials and Supplies Inventory	(11,705)	-
Prepaid Items	10,463	31,054
Deferred Outflows - Pension	13,618	-
Deferred Outflows - Other Post-Employment Benefits	(30,979)	-
Increase (Decrease) in Liabilities and Deferred Inflows:		
Accounts Payable	595	2,846
Accrued Wages and Payables	(7,141)	-
Intergovernmental Payable	10,308	-
Matured Compensated Absences Payable	31,314	-
Compensated Absences Payable	5,150	-
Insurance Claims Payable	-	420,179
Workers Compensation Claims Payable	-	(18,273)
Net Pension Liability	(45,752)	-
Net Other Post-Employment Benefits Liability	44,404	-
Deferred Inflows - Pension	(54,368)	-
Deferred Inflows - Other Post-Employment Benefits	(15,978)	-
<b>Net Cash Provided By (Used For) Operating Activities</b>	<b>\$ (2,320,544)</b>	<b>\$ 292,284</b>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
<b>FINANCING ACTIVITIES</b>		
Donated Commodities	\$ 219,337	\$ -

The notes to the financial statements are an integral part of this statement.

**Euclid City School District**

*Statement of Assets and Liabilities  
Fiduciary Funds  
June 30, 2019*

	<b>Agency Funds</b>
<b>Assets:</b>	
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 47,367
Cash and Cash Equivalents with:	
Escrow Agents	<u>976,651</u>
<b>Total Assets</b>	<b><u>\$ 1,024,018</u></b>
<b>Liabilities:</b>	
Due to Students	\$ 31,464
Due to School District	44
Deposits Held and Due to Others	<u>992,510</u>
<b>Total Liabilities</b>	<b><u>\$ 1,024,018</u></b>

The notes to the financial statements are an integral part of this statement.

## Euclid City School District

### *Notes to the Basic Financial Statements June 30, 2019*

#### NOTE 1: **DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Euclid City School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The School District operates under an elected Board of Education (five members) and is responsible for the provisions of public education to residents of the School District.

The School District provides public education from preschool to grade 12. The School District’s enrollment as of June 30, 2019 was 5,002. The School District employed 465 certified employees and 311 non-certified employees.

#### **Reporting Entity**

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

**Nonpublic Schools** – Within the School District’s boundaries, Our Lady of Lake and Sts. Robert and William schools are operated through the Cleveland Catholic Diocese. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these state monies by the School District is reflected in a special revenue fund for financial reporting purposes.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The School District is associated with two organizations which are defined as a jointly governed organization and a related organization. The Ohio School’s Council Association is a jointly governed organization and the Euclid Public Library is a related organization. The jointly governed organization is presented in Note 19 and the related organization is presented in Note 20 to the basic financial statements.

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

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District’s accounting policies are described below.

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### A. **Fund Accounting**

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the following categories: governmental, proprietary and fiduciary.

##### ***Governmental Funds***

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they must be used. Current assets are assigned to the fund from 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, liabilities and deferred inflows/outflows of resources is reported as fund balance. The following are the School District's major governmental funds:

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

***Bond Retirement Fund*** – The Bond Retirement Fund is used to account for and report financial resources that are restricted to expenditure for principal and interest.

***Building Fund*** – The Building Fund is used to account for financial resources that are restricted to expenditures related to the special bonds for capital facilities.

***Classroom Facilities Fund*** – The Classroom Facilities Fund is used to account for financial resources in connection with contracts entered into by the school district and the Ohio Facilities Construction Commission (OFCC) for the building and equipping of classroom facilities.

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

##### ***Proprietary Funds***

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service.

***Enterprise Funds*** – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's enterprise funds account for the provision of food services and services to the general public financed by user charges (culinary arts restaurant). The School District has no major enterprise funds.

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### A. **Fund Accounting (Continued)**

*Internal Service Funds* – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governmental units, on a cost-reimbursement basis. The internal service funds of the School District account for two self-insurance programs and a program for the purchase of services and equipment for internal use. The two self-insurance programs provide medical, drug and dental to employees along with workers' compensation claims.

#### *Fiduciary Funds*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for student activities, retainage balances held for construction contractors, unclaimed funds and hosting of Ohio High School Athletic Association tournaments.

#### B. **Basis of Presentation**

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

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

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

#### B. **Basis of Presentation** (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

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

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

Agency funds do not report a resources measurement focus as they do not report operations.

#### C. **Basis of Accounting**

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



**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

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

**C. Basis of Accounting (Continued)**

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

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the fiscal year in which the exchange on which the tax is imposed takes place and revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, 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 School District, deferred outflows of resources are reported in the government-wide Statement of Net Position for deferral on refunding and for pensions and other post-employment benefits. 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 pensions and other post-employment benefits are explained in Notes 16 and 17, respectively.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

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

**C. Basis of Accounting (Continued)**

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, compensation payments from a tax increment financing (TIF) agreement, pensions, other post-employment benefits and unavailable revenue. Property taxes and the compensation payments from the TIF agreement 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 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 School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Deferred inflows of resources related to pensions and other post-employment benefits are reported on the government-wide Statement of Net Position which is further explained in Notes 16 and 17, respectively.

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

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

**D. Cash, Cash Equivalents and Investments**

Cash received by the School District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash, cash equivalents, and investments” on the financial statements. Certain investments have been identified as not part of the School District’s internal pool. These investments are presented separately on the financial statements and are related to specific construction projects.

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

#### D. **Cash, Cash Equivalents and Investments** (Continued)

During fiscal year 2019, investments were limited to US Bank First American Government Obligation money market mutual fund, negotiable certificates of deposit, U.S. Government Agency securities, U.S. Treasury notes, commercial paper, STAR Ohio, and STAR Plus.

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

During fiscal year 2019, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2019 amounted to \$1,032,385, which includes \$666,838 assigned from other School District funds.

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

#### E. **Restricted Assets**

Restricted assets represent cash and cash equivalents and other current assets whose use is limited by legal requirements. As of June 30, 2019, the School District did not have any restricted assets.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

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

**F. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

**G. Inventory**

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

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

Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

**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 governmental 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 the acquisition value. The School District's capitalization threshold for all capital assets is \$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.

## Euclid City School District

### Notes to the Basic Financial Statements

June 30, 2019

(continued)

#### NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### H. **Capital Assets (Continued)**

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20 years	N/A
Buildings and Improvements	10-80 years	N/A
Furniture and Equipment	5-10 years	3-10 years
Vehicles	10 years	N/A

##### I. **Interfund Balances**

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

##### J. **Compensated Absences**

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' 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. The School District records a liability for accumulated unused vacation time when earned by all employees with more than one year of service.

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

The entire compensated absence liability is reported on the government-wide financial statements.

##### K. **Bond Premiums and Discounts**

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. Bond discounts are presented as a decrease of the face amount of the general obligation bonds payable. On fund financial statements, premiums are receipted and discounts are disbursed in the year bonds are issued.

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### L. **Accrued Liabilities and Long-Term Obligations**

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current expendable available financial resources. 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. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

#### M. **Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School 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 spendable in form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District's Board of Education. Those committed amounts cannot be used for any other purpose unless the School District's 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.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

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

**M. Fund Balance (Continued)**

*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 would represent intended uses established by the School District’s Board of Education or a School District official delegated that authority by State statute.

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

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

**N. Net Position**

Net position represents the difference between assets/deferred outflows of resources and liabilities/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 and 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 through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School District passed legislation to create a restriction to net position for budget stabilization. This is the only net position restriction imposed through enabling legislation. The net position restricted for state and federally fund programs and student activities have external and internal restrictions imposed by state and federal governments along with the School District’s Board of Education.

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

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

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

**O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service and special services along with charges for services for the School District's two self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Any revenues and expenses not meeting the definition of operating are reported as non-operating.

**P. Interfund Transactions**

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

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

**Q. 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 School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2019.

**R. Estimates**

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



**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

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

**S. Budgetary Accounting**

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

**Tax Budget**

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

**Estimated Resources**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District's Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the original and final amended certificates of estimated resources issued during fiscal year 2019.

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### S. **Budgetary Accounting (Continued)**

##### **Appropriations**

Upon receipt from the County Auditor of an amended Certificate of Estimated Resources based on final assessed values and tax rates or a certification saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level for all funds, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. The total of expenditures and encumbrances may not exceed the appropriation totals at any level of control.

Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations provided the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

##### **Encumbrances**

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

##### **Lapsing of Appropriations**

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

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

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

**T. Pensions and Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net pension and OPEB liabilities, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension expense, information about the fiduciary net position of the pension and 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 systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. The pension and OPEB plans report investments at fair value.

**NOTE 3: ACCOUNTABILITY**

The following funds had negative fund balances at June 30, 2019:

	<u>Deficit</u>
<i><u>Nonmajor Special Revenue Funds</u></i>	
IDEA, Part B Special Education, Education of Handicapped Children	\$ 4,858
Project Head Start	33,658
Title I - Disadvantaged Children/Targeted Assistance	423,685
IDEA Preschool Grant for the Handicapped	4,278
Improving Teacher Quality	59,020
Miscellaneous Federal Grants	40,964
<i>Total Nonmajor Special Revenue Funds</i>	<u>\$ 566,463</u>
 <i><u>Nonmajor Enterprise Fund</u></i>	
Food Services	\$ 257,506

The fund deficits in the nonmajor special revenue and enterprise funds resulted from accrued liabilities. The General Fund is liable for the deficits in these funds and will provide operating transfers when cash is required, not when accruals occur. In addition, the total net position of business-type activities reflect a deficit \$233,672. The effects of GASB Statement No. 68 and No. 75 are solely responsible for this deficit. These GASB Statements are further explained in Notes 16 and 17, respectively.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 4: CHANGES IN ACCOUNTING PRINCIPLES**

During the fiscal year, the School District implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The implementation of this Statement did not have an effect on the financial statements of the School District.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The objective of this Statement is to improve the information that is disclosed in notes to government 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 this Statement did not have an effect on the financial statements of the School District.

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**Euclid City School District**

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) 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 budgetary basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the fund liability is incurred (GAAP basis);
3. Encumbrances are treated as expenditures (budgetary basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis); and
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budgetary basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$ 1,810,819
Net Adjustment for Revenue Accruals	(652,831)
Net Adjustments for Expenditure Accruals	379,208
Funds with Separate Legally Adopted Budgets	13,485
Adjustment for Encumbrances	<u>(3,129,615)</u>
Budget Basis	<u><u>\$ (1,578,934)</u></u>

## Euclid City School District

### Notes to the Basic Financial Statements June 30, 2019 (continued)

#### NOTE 6: **FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned which is based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balances of the major governmental funds and nonmajor governmental funds are presented below:

Fund Balances	General	Bond Retirement	Building	Classroom Facilities	Nonmajor Funds	Total Governmental Funds
<b><i>Nonspendable</i></b>						
Prepaid Items	\$ 104,843	\$ 65,104	\$ -	\$ -	\$ -	\$ 169,947
Materials and Supplies Inventory	15,078	-	-	-	-	15,078
<b><i>Total Nonspendable</i></b>	<b>119,921</b>	<b>65,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185,025</b>
<b><i>Restricted for</i></b>						
Classroom Facilities Maintenance	-	-	-	-	1,931,177	1,931,177
District Managed Activities	-	-	-	-	28,632	28,632
Auxiliary Services	-	-	-	-	22,200	22,200
Title III - LEP	-	-	-	-	160	160
Other Grants	-	-	-	-	106,342	106,342
Debt Service	-	12,656,015	-	-	-	12,656,015
Permanent Improvements	-	-	-	-	2,544,576	2,544,576
Buildings	-	-	12,078,270	-	-	12,078,270
Classroom Facilities Projects	-	-	-	42,677,490	-	42,677,490
<b><i>Total Restricted</i></b>	<b>-</b>	<b>12,656,015</b>	<b>12,078,270</b>	<b>42,677,490</b>	<b>4,633,087</b>	<b>72,044,862</b>
<b><i>Committed to</i></b>						
Termination Benefits	66,147	-	-	-	-	66,147
Special Programs	-	-	-	-	21,668	21,668
<b><i>Total Committed</i></b>	<b>66,147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,668</b>	<b>87,815</b>
<b><i>Assigned to</i></b>						
Property Replacement	-	-	-	-	31,830	31,830
Public School Support	39,901	-	-	-	-	39,901
Instructional Activities	1,704,646	-	-	-	-	1,704,646
Supporting Services	728,028	-	-	-	-	728,028
Subsequent Appropriations	1,827,751	-	-	-	-	1,827,751
<b><i>Total Assigned</i></b>	<b>4,300,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,830</b>	<b>4,332,156</b>
<b><i>Unassigned (Deficit)</i></b>	<b>5,394,941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(566,463)</b>	<b>4,828,478</b>
<b>Total Fund Balances</b>	<b>\$ 9,881,335</b>	<b>\$ 12,721,119</b>	<b>\$ 12,078,270</b>	<b>\$ 42,677,490</b>	<b>\$ 4,120,122</b>	<b>\$ 81,478,336</b>

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 7: **DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current 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 obligations or security issued by the United States Treasury or any other obligation guaranteed as to payment of 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;
4. Bonds or other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or division (2) of this section and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Bankers' acceptances and commercial paper, if trading requirements have been met.

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. Investments may only be made through specified dealers and institutions.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)**

*Cash on Hand*

At June 30, 2019, the School District had \$2,000 of undeposited cash on hand, which is included on the balance sheet of the School District as part of “Equity in Pooled Cash, Cash Equivalents, and Investments”.

*Deposits*

At June 30, 2019, the carrying amount of the School District’s deposits was 3,756,326 and the bank balance was \$4,151,341. The School District closely monitors its cash flow requirements and can provide necessary funds to cover any outstanding checks when they become due. \$2,769,915 of the School District’s bank balance was covered by Federal Depository Insurance and \$1,381,426 was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent but not in the School District’s name. Although the securities were held by the pledging institution’s trust department and all statutory requirements for the investments of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

Custodial credit risk is the risk that, in the event of a bank failure, the School District’s deposits or collateral securities may not be returned. The School District’s policy is to place deposits with major local banks approved by the School District’s Board of Education. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with (1) eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits 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 market value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

*Investments*

The School District has a formal investment policy and utilizes a pooled investment concept for all its funds to maximize its investment program. The objective of the policy shall be the preservation of capital and protection of principal while earning investment interest. STAR Ohio is measured at net asset value (NAV) per share while all other investments are measured at fair value. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The table presented on the next page identifies the School District’s recurring fair value measurement as of June 30, 2019. As previously discussed, Star Ohio is reported at its net asset value. All other investments of the School District are valued using quoted market prices (Level 2 inputs).



**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)**

During fiscal year 2019, the School District has invested the proceeds from previously issued debt that was specifically for the construction of school facilities and other improvements. The proceeds invested are not part of the School District’s internal investment pool of funds. The investment of these debt proceeds are separately presented on the financial statements as “Investments” and the earnings on these investments are required to remain with the projects.

Investments at year end were as follows:

<u>Measurement/Investment Type</u>	<u>Internal Investment Pool</u>	<u>Specific Investments for Construction</u>	<u>Total Fair Value of Investments</u>	<u>Investment Maturities (in Years)</u>	<u>Standard &amp; Poor’s Rating</u>
<i>Net Asset Value per Share:</i>					
STAR Ohio	\$ 16,602,944	\$ 3,317,838	\$ 19,920,782	< 1	AAAm
Money Market Mutual Fund	40,119	100,665	140,784	< 1	AAA
<i>Fair Value - Level Two Inputs:</i>					
Negotiable CDs	3,261,194	3,460,261	6,721,455	1 - 3	N/A
U.S. Government Agency Securities	8,044,106	44,742,947	52,787,053	1.5 - 4.0	AA+
U.S. Treasury Notes	-	2,388,433	2,388,433	< 3.5	N/A
Commercial Paper -					
Credit Suisse New York	3,090,204	-	3,090,204	< 1	A1
Credit Agricole CIB NY	995,060	-	995,060	< 1	A1
JP Morgan Securities	553,091	548,752	1,101,843	< 1	A1
Toyota Motor Credit	1,255,034	984,340	2,239,374	< 1	A1+
MUFG Bank Ltd NY	2,440,035	2,510,772	4,950,807	< 1	A1
Natixis NY	3,850,598	1,358,942	5,209,540	< 1	A1
<b>Total Investments</b>	<u>\$ 40,132,385</u>	<u>\$ 59,412,950</u>	<u>\$ 99,545,335</u>		

**Interest Rate Risk**

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the School District’s investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and the School District’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk**

The credit risks of the School District’s investments are in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 7: **DEPOSITS AND INVESTMENTS** (CONTINUED)

#### Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investments in the money market mutual fund, commercial paper, U.S. Treasury Notes and U.S. Government Agency securities are exposed to custodial credit risk in that it is uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name. The School District's investments in negotiable certificates of deposit were fully covered by Federal Depository Insurance. The School 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.

#### Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer.

### NOTE 8: **PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility, and certain tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are paid annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2018, were levied after April 1, 2018 and are collected in 2018 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can significantly vary based on the date the tax bills are sent.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 8: PROPERTY TAXES (CONTINUED)**

The amount available as an advance at June 30, 2019 was \$6,137,311 in the General Fund, \$1,419,505 in the Bond Retirement Fund, and \$247,776 in the Permanent Improvement Capital Projects Fund. The amount available as an advance at June 30, 2018 was \$5,560,766 in the General Fund, \$976,958 in the Bond Retirement Fund, and \$196,967 in the Permanent Improvement Capital Projects Fund.

Accrued property taxes receivable includes real property, public utility property, and 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 of resources.

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

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

	2018 Second Half Collections		2019 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 532,140,150	95.80%	\$ 617,841,060	95.99%
Public Utility	23,303,290	4.20%	25,841,240	4.01%
<b>Totals</b>	<b>\$ 555,443,440</b>	<b>100.00%</b>	<b>\$ 643,682,300</b>	<b>100.00%</b>
 Tax Rate per \$1,000 of Assessed Valuation	 \$ 109.82		 \$ 98.82	

**NOTE 9: SCHOOL DISTRICT INCOME TAXES**

The School District is the only school district in the State of Ohio with an enacted shared City/School income tax. The shared income tax, enacted in 1994, is a 0.85 percent voted income tax of which 0.47 percent is for the School District and 0.38 percent for the City of Euclid. Employers are required to withhold income tax on compensation and remit the tax to the City of Euclid. Taxpayers are required to file an annual return with the City of Euclid. The City makes monthly distributions to the School District after withholding amounts for administrative fees and estimated refunds. School District income tax revenue is credited to the General Fund.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 10: RECEIVABLES**

Receivables at June 30, 2019 consisted of property taxes, income taxes, compensation payments from a TIF agreement, accounts (rent, billings for user charged services, and student fees), intergovernmental grants and interest. 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 fiscal year guarantee of federal funds. The Ohio Facilities Construction Commission (OFCC) receivable in the amount of \$26,884,372 represents the School District's agreement with OFCC for the School Building construction projects as identified in Note 12 – Significant Contractual Commitments.

A summary of the principal items of intergovernmental receivables follows:

	Governmental Activities	Business-Type Activities
ROTC Grant	\$ 16,023	\$ -
Mentor EVSD	9,990	-
Bureau of Workers Comp. Rebate	463,643	-
Special Education, Part B - IDEA	4,858	-
Title I	426,298	-
IDEA Early Childhood Special Education	4,279	-
Improving Teacher Quality	81,538	-
Title IV	73,167	-
SERS True-up	271,174	37,336
State Foundation Adj.	41,332	
National School Lunch Program	-	29,221
TIF	59,431	-
Ohio Facilities Construction Commission	26,884,372	-
Other	81,261	-
Total Intergovernmental Receivables	<u>\$ 28,417,366</u>	<u>\$ 66,557</u>

*This space is intentionally left blank.*

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 11: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
<b><u>Governmental Activities</u></b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 2,340,558	\$ -	\$ -	\$ 2,340,558
Intangible Asset	44,393	-	-	44,393
Construction in Progress	18,064,832	39,709,164	(8,578,800)	49,195,196
<i>Total Capital Assets, not being depreciated</i>	<u>20,449,783</u>	<u>39,709,164</u>	<u>(8,578,800)</u>	<u>51,580,147</u>
<i>Capital Assets, being depreciated:</i>				
Land Improvements	9,518,550	8,633,184	(32,083)	18,119,651
Buildings and Improvements	102,848,672	5,490	(835,764)	102,018,398
Furniture and Equipment*	3,071,238	8,734	(182,885)	2,897,087
Vehicles*	3,232,925	-	(2,808,923)	424,002
<i>Total Capital Assets, being depreciated</i>	<u>118,671,385</u>	<u>8,647,408</u>	<u>(3,859,655)</u>	<u>123,459,138</u>
Less Accumulated Depreciation:				
Land Improvements	(4,366,658)	(598,847)	32,083	(4,933,422)
Buildings and Improvements	(35,938,756)	(1,826,495)	835,764	(36,929,487)
Furniture and Equipment*	(2,316,402)	(238,224)	182,885	(2,371,741)
Vehicles*	(2,888,260)	(66,547)	2,634,130	(320,677)
Total Accumulated Depreciation	<u>(45,510,076)</u>	<u>(2,730,113)</u>	<u>3,684,862</u>	<u>(44,555,327)</u>
<b>Total Capital Assets being depreciated, Net</b>	<u>73,161,309</u>	<u>5,917,295</u>	<u>(174,793)</u>	<u>78,903,811</u>
<b>Governmental Activities' Capital Assets, Net</b>	<u>\$ 93,611,092</u>	<u>\$ 45,626,459</u>	<u>\$ (8,753,593)</u>	<u>\$ 130,483,958</u>
<b><u>Business-Type Activities</u></b>				
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	\$ 12,000	\$ -	\$ -	\$ 12,000
Furniture and Equipment	785,240	-	-	785,240
<i>Total Capital Assets, being depreciated</i>	<u>797,240</u>	<u>-</u>	<u>-</u>	<u>797,240</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(3,150)	(300)	-	(3,450)
Furniture and Equipment	(383,442)	(43,914)	-	(427,356)
Total Accumulated Depreciation	<u>(386,592)</u>	<u>(44,214)</u>	<u>-</u>	<u>(430,806)</u>
<b>Business-Type Activities' Capital Assets, Net</b>	<u>\$ 410,648</u>	<u>\$ (44,214)</u>	<u>\$ -</u>	<u>\$ 366,434</u>

\* - A reclass was made to the beginning balance in this category.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 11: CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to the governmental functions as follows:

Instruction:		
Regular	\$	2,454,521
Support Services:		
Instructional Staff		13,248
Administration		37,020
Operation and Maintenance of Plant		90,244
Pupil Transportation		53,774
Central		79,766
Operation of Non-Instructional Services:		
Community Services		555
Extracurricular Activities		985
Total Depreciation Expense	\$	<u>2,730,113</u>

**NOTE 12: SIGNIFICANT CONTRACTUAL COMMITMENTS**

The School District is undertaking several school facilities construction projects relating to segment two of the School District's project agreement with the Ohio Facilities Construction Commission. Below is a listing of significant outstanding contractual commitments at fiscal year-end:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance 6/30/2019</u>
Athletic Fields:			
Hammond Construction	\$ 7,857,846	\$ (7,706,732)	\$ 151,114
Early Learning Village:			
Hammond Construction	16,863,726	(15,987,805)	875,921
Then Design Architecture, Ltd	<u>1,082,585</u>	<u>(994,179)</u>	<u>88,406</u>
	<u>17,946,311</u>	<u>(16,981,984)</u>	<u>964,327</u>
High School/Middle School:			
The Brewer Garrett Company	<u>1,048,625</u>	<u>(315,486)</u>	<u>733,139</u>
<b>Total Building Fund</b>	<b><u>\$ 26,852,782</u></b>	<b><u>\$ (25,004,202)</u></b>	<b><u>\$ 1,848,580</u></b>
Forest Park Abatement & Demolition:			
Hammond Construction	\$ 1,882,917	\$ (1,714,202)	\$ 168,715
High School/Middle School:			
Hammond Construction	86,804,092	(18,192,801)	68,611,291
Then Design Architecture, Ltd	8,146,439	(5,858,465)	2,287,974
The Brewer Garrett Company	<u>267,850</u>	<u>(70,980)</u>	<u>196,870</u>
	<u>95,218,381</u>	<u>(24,122,246)</u>	<u>71,096,135</u>
<b>Total Classroom Facilities Fund</b>	<b><u>\$ 97,101,298</u></b>	<b><u>\$ (25,836,448)</u></b>	<b><u>\$ 71,264,850</u></b>

# Euclid City School District

## Notes to the Basic Financial Statements June 30, 2019 (continued)

### NOTE 13: LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2019 were as follows:

	Balance Outstanding 6/30/2018	Additions	Deletions	Balance Outstanding 6/30/2019	Amounts Due in One Year
<b><u>Governmental Activities</u></b>					
<i>General Obligation Bonds</i>					
<i>Energy Conservation Bonds:</i>					
Series 2009 - \$1,253,000 - 5.25%	\$ 619,700	\$ -	\$ (90,200)	\$ 529,500	\$ 95,100
<i>Classroom Facilities and School Improvement Bonds, Series 2010:</i>					
Sinking Fund Bonds - \$15,165,000 - 1.85%	10,420,000	-	(1,215,000)	9,205,000	1,240,000
<i>Classroom Facilities and School Improvement Refunding Bonds, Series 2014:</i>					
Serial Bonds - \$9,575,000 - 1.00-4.00%	9,365,000	-	(70,000)	9,295,000	70,000
Term Bonds - \$11,815,000 - 3.50-3.625%	11,815,000	-	-	11,815,000	-
Capital Appreciation Bonds - \$9,996 - 41.48%	9,996	-	-	9,996	-
Accretion on Capital Appreciation Bonds	32,023	19,231	-	51,254	-
Unamortized Bond Premium	789,895	-	(39,495)	750,400	-
Unamortized Bond Discount	(462,771)	-	23,138	(439,633)	-
<i>Classroom Facilities and School Improvement Bonds, Series 2017:</i>					
Serial Bonds - \$22,375,000 - 2.00-5.00%	21,895,000	-	(10,000)	21,885,000	60,000
Term Bonds - \$73,195,000 - 3.00-5.25%	73,185,000	-	(10,000)	73,175,000	10,000
Capital Appreciation Bonds - \$219,994 - 29.988-30.00%	219,994	-	-	219,994	-
Accretion on Capital Appreciation Bonds	97,607	102,397	-	200,004	-
Unamortized Bond Premium	5,902,437	-	(163,956)	5,738,481	-
Unamortized Bond Discount	(1,232,592)	-	34,239	(1,198,353)	-
<b>Total General Obligation Bonds</b>	<b>132,656,289</b>	<b>121,628</b>	<b>(1,541,274)</b>	<b>131,236,643</b>	<b>1,475,100</b>
<i>Other Long-Term Obligations</i>					
<i>Permanent Improvement Tax Anticipation - \$4,185,000 - 3.15%</i>					
	2,255,000	-	(425,000)	1,830,000	435,000
Claims	928,244	9,955,944	(9,554,038)	1,330,150	1,323,278
Compensated Absences	1,594,525	1,138,044	(547,679)	2,184,890	726,346
Capital Lease - Copiers	155,200	-	(72,954)	82,246	75,797
<b>Total Other Long-Term Obligations</b>	<b>4,932,969</b>	<b>11,093,988</b>	<b>(10,599,671)</b>	<b>5,427,286</b>	<b>2,560,421</b>
<i>Net Pension Liability (See Note 16):</i>					
STRS	71,570,878	-	(6,746,430)	64,824,448	-
SERS	17,422,244	-	(412,354)	17,009,890	-
<b>Total Net Pension Liability</b>	<b>88,993,122</b>	<b>-</b>	<b>(7,158,784)</b>	<b>81,834,338</b>	<b>-</b>
<i>Net OPEB Liability (See Note 17):</i>					
STRS	11,755,027	-	(11,755,027)	-	-
SERS	8,067,838	400,188	-	8,468,026	-
<b>Total Net OPEB Liability</b>	<b>19,822,865</b>	<b>400,188</b>	<b>(11,755,027)</b>	<b>8,468,026</b>	<b>-</b>
<b>Total Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<b>\$ 246,405,245</b>	<b>\$ 11,615,804</b>	<b>\$ (31,054,756)</b>	<b>\$ 226,966,293</b>	<b>\$ 4,035,521</b>
<b><u>Business-Type Activities</u></b>					
<i>Compensated Absences</i>					
	\$ 19,978	\$ 12,544	\$ (7,394)	\$ 25,128	\$ 8,744
<i>Net Pension Liability (See Note 16):</i>					
SERS	1,933,076	-	(45,752)	1,887,324	-
<i>Net OPEB Liability (See Note 17):</i>					
SERS	693,698	44,404	-	738,102	-
<b>Total Business-Type Activities</b>					
<b>Long-Term Liabilities</b>	<b>\$ 2,646,752</b>	<b>\$ 56,948</b>	<b>\$ (53,146)</b>	<b>\$ 2,650,554</b>	<b>\$ 8,744</b>

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 13: **LONG-TERM OBLIGATIONS** (CONTINUED)

#### **General Obligation Bonds**

In 2009, the School District issued \$1,253,000 in energy conservation improvement bonds for a fifteen year period. The bonds were issued to retire \$1,338,000 in bond anticipation notes that were provided to pay the costs of installations, modifications, and remodeling of school buildings to conserve energy. The bonds will be retired from the Bond Retirement Fund with transfers from the General Fund.

In 2010, the School District issued \$40,299,828 in voted general obligation bonds which comprised of serial, capital appreciation (deep discount), term, and sinking fund bonds in the amount of \$3,235,000, \$499,828, \$21,400,000 and \$15,165,000, respectively. The general obligation bonds were issued for the purpose of building four new elementary school buildings within the Euclid City Schools system. The bonds were issued with a twenty-eight year period with final maturity on January 15, 2038. As discussed in further detail later, the serial, capital appreciation and term bonds were refunded in fiscal year 2015. The sinking fund bonds remained outstanding at June 30, 2019. The Bond Retirement Fund will fund the annual debt service requirements on these bonds.

\$15,165,000 of the bonds issued on March 4, 2010, consisted of Qualified School Construction Bonds (QSCBs). In addition to the aforementioned BABs, the QSCBs were authorized by the federal government through the ARRA. These bonds were issued as tax credit bonds under which the bond holders receive federal tax credits in lieu of interest as a means to significantly reduce the issuer's interest cost.

On September 10, 2014, the School District issued term bonds of \$11,815,000 with interest rates ranging from 3.50-3.625 percent; serial bonds of \$9,575,000 with interest rates ranging from 1.00-4.00 percent; and capital appreciation bonds of \$9,996 with an interest rate of 41.48 percent to currently refund the BAB portion of the Classroom Facilities and School Improvement Bonds, Series 2010. The BABs mature on January 15, 2033 and January 15, 2038, and are both callable on October 10, 2014. The net proceeds from the issuance of the refunding bonds of \$21,532,802 and the School District's contribution of \$181,196 were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide the debt service requirements until the BABs were called on October 10, 2014. The current refunding met the requirements of an in-substance debt defeasance and the BABs were removed from the School District's government-wide financial statements.

As a result of the current refunding, the School District reduced its total debt service requirements by \$1,455,686, which resulted in an economic gain of (difference between the present value of the debt service payments on the old and new debt) of \$997,026.



**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 13: LONG-TERM OBLIGATIONS (CONTINUED)**

**General Obligation Bonds (Continued)**

The QCSBs maturing January 15, 2026 are subject to extraordinary mandatory redemption and extraordinary optional redemption requirements on January 15 in the years (mandatory sinking fund dates) and in respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 1,240,000
2021	1,265,000
2022	1,290,000
2023	1,315,000
2024	1,340,000
2025	1,370,000
2026	1,385,000
Total	<u>\$ 9,205,000</u>

On March 8, 2017, the School District issued \$86,679,994 in voted general obligation bonds which comprised of serial, capital appreciation (deep discount) and term bonds in the amount of \$15,335,000, \$219,994 and \$71,125,000, respectively. The general obligation bonds were issued for the purpose of building and improving facilities of the School District. The bonds were issued with a thirty-seven year period with final maturity on January 15, 2054. The Bond Retirement Fund will fund the annual debt service requirements on these bonds.

On March 22, 2017, the School District issued \$9,110,000 in voted general obligation bonds which is comprised of serial and term bonds in the amount of \$7,040,000 and \$2,070,000, respectively. The general obligation bonds were issued for the purpose of retiring short-term bond anticipation notes that matured on April 4, 2017. The bonds were issued with a twenty-nine year period with final maturity on January 15, 2046. The Bond Retirement Fund will fund the annual debt service requirements on these bonds.

**Tax Anticipation Notes**

In 2012, the School District issued \$4,185,000 in long-term payable notes to provide for various capital renovations of the school buildings and other School District improvements. These notes will be paid off over a ten year period of time.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 13: LONG-TERM OBLIGATIONS (CONTINUED)**

**Other Obligations**

Compensated absences will be paid from the General Fund and Food Service enterprise fund. See Note 19 for further details on the School District’s liability for claims. The net pension and OPEB liabilities recorded on the government-wide financial statements are further explained in Notes 16 and 17, respectively. There are no repayment schedules for the net pension and OPEB liabilities; however, employer pension and OPEB contributions are made from the School District’s funds that record the respective salaries and wages. For the School District, this would mainly be from the General Fund, the Food Service Fund and to a smaller extent various special revenue grant funds that have personnel costs.

**Legal Debt Margin**

At June 30, 2019, the School District’s overall legal debt margin was \$0 with an unvoted debt margin of \$643,682. Section 133.06(I) of the Ohio Revised Code permits a school district to incur net indebtedness in excess of the 9.0 percent 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 Ohio Revised Code. Since the School District entered into a project under Chapter 3318 of the Ohio Revised Code, this exception was included during the calculation of the overall legal debt margin.

Principal and interest requirements to retire the general obligation debt outstanding at June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Permanent Improvement Tax Anticipation Note		General Obligation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 435,000	\$ 50,794	\$ 1,475,100	\$ 5,176,011	\$ 1,910,100	\$ 5,226,805
2021	450,000	36,855	1,645,200	5,167,985	2,095,200	5,204,840
2022	465,000	22,444	1,860,600	5,156,882	2,325,600	5,179,326
2023	480,000	7,560	2,131,300	5,141,414	2,611,300	5,148,974
2024	-	-	2,757,300	5,117,738	2,757,300	5,117,738
2025-2029	-	-	11,319,990	28,063,146	11,319,990	28,063,146
2030-2034	-	-	18,455,000	21,075,869	18,455,000	21,075,869
2035-2039	-	-	20,650,000	17,241,151	20,650,000	17,241,151
2040-2044	-	-	16,640,000	13,004,740	16,640,000	13,004,740
2045-2049	-	-	21,800,000	8,618,790	21,800,000	8,618,790
2050-2054	-	-	27,400,000	3,780,193	27,400,000	3,780,193
	<u>\$ 1,830,000</u>	<u>\$ 117,653</u>	<u>\$ 126,134,490</u>	<u>\$ 117,543,919</u>	<u>\$ 127,964,490</u>	<u>\$ 117,661,572</u>

**Euclid City School District**

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

**NOTE 14: CAPITALIZED LEASE – LEASEE DISCLOSURE**

In 2015, the School District entered into a capitalized lease for copiers in the amount of \$352,718. This represents the present value of the minimum lease payments at the time of acquisition. A portion of the copier lease (\$39,742) did not meet the School District’s capitalization threshold of \$5,000 and has not been included with the School District’s capital assets. Accumulated depreciation as of June 30, 2019, was \$219,092, leaving a current book value of \$93,884. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2019 totaled \$72,954 paid by the General Fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2019:

Fiscal Year Ending June 30,	Amount
2020	\$ 77,626
2021	6,469
Total	84,095
Less: Amount representing interest	(1,849)
Total	<u>\$ 82,246</u>

**NOTE 15: OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Clerical, technical, and maintenance and operations employees with one or more years of service are entitled to vacation ranging from 5 to 25 days. Employees with less than one year of service earn one vacation day per month worked, not to exceed five days. Unused vacation is not cumulative to the next year. Teachers do not earn vacation.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rata basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-quarter of the accumulated sick leave to a maximum payout of 40 to 60 days based on the collective bargaining agreements.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 16: PENSION PLANS**

**A. Net Pension Liability**

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

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

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

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

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

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 16: PENSION PLANS (CONTINUED)**

**B. Plan Description – School Employees Retirement System (SERS)**

**Plan Description** – School 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

One year after an effective benefit date, a benefit recipient is entitled to a 2.5 percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent 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 percent for plan members and 14 percent 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 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$1,530,594 for fiscal year 2019. Of this amount \$35,290 is reported as an intergovernmental payable.

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 16: **PENSION PLANS (CONTINUED)**

#### C. **Plan Description – State Teachers Retirement System (STRS)**

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. 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 percent of final average salary for the five highest years of earnings multiplied by all years of service. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent 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, 12.0 of the 14.0 percent member rates goes to the DC Plan and the remaining 2.0 percent goes 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 services. 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.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 16: PENSION PLANS (CONTINUED)**

**C. Plan Description - State Teachers Retirement System (STRS) (Continued)**

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 in the GASB 68 schedules of employer allocation and pension amounts by employer.

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 that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contributions to STRS was \$4,662,095 for fiscal year 2019. Of this amount \$1,015,165 is reported as an intergovernmental payable.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 16: PENSION PLANS (CONTINUED)**

**D. 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 School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the 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	0.3239504%	0.30128492%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.3299564%</u>	<u>0.29482068%</u>	
Change in Proportionate Share	<u>0.0060060%</u>	<u>-0.00646424%</u>	
Proportionate Share of the Net Pension			
Liability	\$18,897,214	\$64,824,448	\$ 83,721,662
Pension Expense	\$609,806	\$5,328,888	\$5,938,694

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 1,036,392	\$ 1,496,349	\$ 2,532,741
Changes of assumptions	426,741	11,488,114	11,914,855
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	202,642	1,089,936	1,292,578
School District contributions subsequent to the measurement date	<u>1,475,930</u>	<u>4,662,095</u>	<u>6,138,025</u>
Total Deferred Outflows of Resources	<u>\$ 3,141,705</u>	<u>\$ 18,736,494</u>	<u>\$ 21,878,199</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 423,343	\$ 423,343
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	523,582	3,930,881	4,454,463
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>706,687</u>	<u>4,304,585</u>	<u>5,011,272</u>
Total Deferred Inflows of Resources	<u>\$ 1,230,269</u>	<u>\$ 8,658,809</u>	<u>\$ 9,889,078</u>



**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 16: PENSION PLANS (CONTINUED)**

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$6,138,025 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2020	\$1,059,424	\$4,786,692	\$5,846,116
2021	156,815	2,686,218	2,843,033
2022	(620,156)	(970,364)	(1,590,520)
2023	(160,577)	(1,086,956)	(1,247,533)
Total	\$435,506	\$5,415,590	\$5,851,096

**E. 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.

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.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 16: PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions – SERS (Continued)**

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 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

The 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 is used to evaluate allowances to be paid. The RP-2000 Disabled Mortality Table with 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 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 averaged 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 asset class are summarized in the following table:

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

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

NOTE 16: **PENSION PLANS** (CONTINUED)

E. **Actuarial Assumptions – SERS** (Continued)

***Discount Rate*** - The total pension liability was calculated using the discount rate of 7.50 percent. 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 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

***Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, 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 percent), or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$26,618,151	\$18,897,214	\$12,423,725

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 16: PENSION PLANS (CONTINUED)**

**F. 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:

Inflation	2.50 percent
Projected salary increases	2.50 percent at age 65 to 12.50 percent at age 20
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent

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.

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:

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

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 16: PENSION PLANS (CONTINUED)**

**F. Actuarial Assumptions – STRS (Continued)**

\* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45 percent 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. 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 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$94,667,573	\$64,824,448	\$39,566,292

**G. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2018, one member of the Board of Education had elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS**

**A. Net Other Post-Employment Benefits (OPEB) Liability/Asset**

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

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

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

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 17: **POST-EMPLOYMENT BENEFITS (CONTINUED)**

#### **B. Plan Description – School Employees Retirement System (SERS)**

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

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

***Funding Policy*** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, .5 percent 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 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the School District's surcharge obligation was \$183,859.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**B. Plan Description – School Employees Retirement System (SERS) (Continued)**

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$238,523 for fiscal year 2019. Of this amount \$219,149 is reported as an intergovernmental payable.

**C. 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](http://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 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.



**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**D. OPEB Liabilities, OPEB Asset, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability and net OPEB asset were measured as of June 30, 2018, and the total OPEB liability and asset used to calculate the net OPEB liability and net OPEB asset were determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability and net OPEB asset were based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability Prior Measurement Date	0.32646770%	0.30128492%	
Proportion of the Net OPEB Liability Current Measurement Date	<u>0.33183960%</u>	<u>0.29482068%</u>	
Change in Proportionate Share	<u>0.00537190%</u>	<u>-0.00646424%</u>	
Proportionate Share of the Net OPEB Liability / (Asset)	\$9,206,128	(\$4,737,467)	\$4,468,661
OPEB Expense	\$212,964	(\$10,457,299)	(\$10,244,335)

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 150,276	\$ 553,345	\$ 703,621
Changes in proportionate and differences between contributions and proportionate share of contributions	141,258	-	141,258
School District contributions subsequent to the measurement date	<u>238,523</u>	<u>-</u>	<u>238,523</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$ 530,057</u>	<u>\$ 553,345</u>	<u>\$ 1,083,402</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 276,021	\$ 276,021
Changes of assumptions	827,100	6,455,075	7,282,175
Net difference between projected and actual earnings on OPEB plan investments	13,813	541,216	555,029
Changes in proportionate and differences between contributions and proportionate share of contributions	<u>257,353</u>	<u>947,646</u>	<u>1,204,999</u>
<b>Total Deferred Inflows of Resources</b>	<u>\$ 1,098,266</u>	<u>\$ 8,219,958</u>	<u>\$ 9,318,224</u>

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**D. OPEB Liabilities, OPEB Asset, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

\$238,523 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2020	(\$456,727)	(\$1,384,819)	(\$1,841,546)
2021	(348,143)	(1,384,819)	(1,732,962)
2022	(4,307)	(1,384,820)	(1,389,127)
2023	1,572	(1,338,690)	(1,337,118)
2024	617	(1,180,392)	(1,179,775)
Thereafter	256	(993,173)	(992,917)
Total	<u>(\$806,732)</u>	<u>(\$7,666,713)</u>	<u>(\$8,473,445)</u>

**E. Actuarial Assumptions – SERS**

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

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

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

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**E. Actuarial Assumptions – SERS (Continued)**

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 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare	5.375 to 4.75 percent
Pre-Medicare	7.25 to 4.75 percent

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

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**E. Actuarial Assumptions – SERS (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:

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

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 percent. 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 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, 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. 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.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**E. Actuarial Assumptions – SERS (Continued)**

*Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates* - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) 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.

	<u>1% Decrease (2.70%)</u>	<u>Current Discount Rate (3.70%)</u>	<u>1% Increase (4.70%)</u>
School District's proportionate share of the net OPEB liability	\$11,170,911	\$9,206,128	\$7,650,386

	<u>1% Decrease (6.25 % decreasing to 3.75 %)</u>	<u>Current Trend Rate (7.25 % decreasing to 4.75 %)</u>	<u>1% Increase (8.25 % decreasing to 5.75 %)</u>
School District's proportionate share of the net OPEB liability	\$7,427,656	\$9,206,128	\$11,561,142

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**F. Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation is presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	
Discount Rate of Return	7.45 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	6.00 percent	4.00 percent
Medicare	5.00 percent	4.00 percent
Prescription Drug		
Pre-Medicare	8.00 percent	
Medicare	-5.23 percent	4.00 percent

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 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent 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 percent 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 1.9 percent to 1.944 percent 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 discounted beginning January 1, 2020.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**F. Actuarial Assumptions – STRS (Continued)**

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 follow:

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

\* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 17: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**F. Actuarial Assumptions – STRS (Continued)**

**Discount Rate** - The discount rate used to measure the total OPEB asset was 7.45 percent as of June 30, 2018. 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 investments of 7.45 percent was used to measure the total OPEB asset as of June 30, 2019.

**Sensitivity of the School 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 percent, 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 percent) or one percentage point higher (8.45 percent) 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.

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net OPEB asset	\$4,060,453	\$4,737,467	\$5,306,466

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	\$5,274,345	\$4,737,467	\$4,192,226



**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 18: RISK MANAGEMENT**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2019, the School District contracted with Liberty Mutual Insurance Company for fleet and liability insurance, boiler and machinery, property and inland marine coverage. Coverages provided were as follows:

Building, Contents, Boiler and Machinery Contents (\$5,000 deductible)	\$ 263,896,339
Crime Insurance (\$1,00 to \$50,000 deductible)	25,000 - 500,000
Automobile Liability (\$1,000 Comprehensive deductible/ \$1,000 Collision deductible)	1,000,000
Uninsured Motorists	500,000
General Liability (per occurrence)	1,000,000
General Liability (total per year)	2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change from prior year's coverage.

**B. Self-Insurance Program**

The self-insurance program for health care has been administered by Medical Mutual of Ohio since January, 2001. Medical Mutual of Ohio began administering the program in January, 2001. Payments are made to Medical Mutual of Ohio for the actual amount of claims processed, monthly stop-loss premiums, and administrative charges. Operating revenues of the fund consist of payments from other funds and are based on self-insurance losses, policy stop-loss premiums, and other operating expenses.

The claims liability of \$1,314,479 reported in the fund at June 30, 2019 was estimated by the third party administrator and is based on the requirements of GASB Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses (GASB Statement No. 30). Changes in the fund's claims liability amount for the fiscal years ended June 30, 2019 and 2018 were:

	Beginning of Year	Current Year Claims	Claim Payments	End of Year
June 30, 2018	\$ 1,096,164	\$ 8,723,829	\$ (8,925,693)	\$ 894,300
June 30, 2019	894,300	9,480,014	(9,059,835)	1,314,479

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 18: RISK MANAGEMENT (CONTINUED)**

**C. Workers' Compensation Program**

The School District participates in the State Workers' Compensation group retrospective rating and payment system. The plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claim costs for employees injured from 2004 through 2011. The program for workers' compensation is administered by Comp Management Inc. Payments are made directly to the Ohio Bureau of Workers' Compensation for actual claims processed. Operating revenues of the fund consist of payments from other funds and earnings on the investing of these funds that are based on self-insurance losses, policy stop-loss premiums, and other operating expenses.

The claims liability of \$15,671 reported in the fund at June 30, 2019 was estimated by the Bureau of Workers Compensation and is based on the requirement of Governmental Standards Board Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's current claims liability amount for the fiscal years ended June 30, 2019 and 2018 were:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>End of Year</u>
June 30, 2018	\$ 59,343	\$ 468,606	\$ (494,005)	\$ 33,944
June 30, 2019	33,944	475,931	(494,204)	15,671

For fiscal year 2019, the School District participated in the Ohio SchoolComp Group Retrospective Rating Program, which is administered by Comp Management, a third party administrator. The Group Retrospective Rating Program offers an opportunity for school districts that may not qualify for Group Rating or only qualify for a low discount and have an increased emphasis on safety and claims management. Through the program, school districts are grouped together to achieve premium refunds based on the performance of the group. However, school districts continue to pay their own individual merit-rated premium to the Ohio BWC and depending on the performance, the participating school districts can receive either a retrospective premium refund or assessment (maximum assessment selected per group). Retrospective refunds are achieved when the standard premium of the group exceeds the developed claims costs.

## Euclid City School District

*Notes to the Basic Financial Statements*  
*June 30, 2019*  
*(continued)*

### NOTE 19: **JOINTLY GOVERNED ORGANIZATIONS**

*Ohio Schools' Council Association (Council)* – The Council is a jointly governed organization among 210 members in 33 counties. The jointly governed organization was created by schools districts for the specific purpose of saving dollars through volume purchases. Each school district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board meets monthly September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2019, the School District paid \$8,317 to the Council. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation New Energy (formerly Compass Energy) has been selected as the supplier and program manager. There are currently 157 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). School Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and school districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

### NOTE 20: **RELATED ORGANIZATION**

*Euclid Public Library* – The Euclid Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Euclid City School District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Library's Board of Trustees. Financial information can be obtained from the Euclid Public Library at 631 East 222<sup>nd</sup> Street, Euclid, Ohio 44123.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 21: CONTINGENCIES**

**A. Grants**

The School District received financial assistance from Federal and State 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 General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2019, if applicable, cannot be determined at this time.

**B. Litigation**

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

**C. State Foundation Funding**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 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 School District.

**NOTE 22: INTERFUND TRANSACTIONS**

**A. Due from/to Other Funds**

On June 30, 2019, interfund balances on fund financial statements consist of the following:

	Receivable	Payable
<i>Major Governmental Fund</i>		
General Fund	\$ 127,000	\$ -
 <i>Nonmajor Governmental Funds</i>		
Special Revenue Funds	-	127,000
<b>Total Due from/to Other Funds</b>	<b>\$ 127,000</b>	<b>\$ 127,000</b>

Monies were advanced from the general fund to various nonmajor governmental funds to cover operating expenditures until additional monies are received. These interfund balances will be repaid once the anticipated revenues are received.

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 22: INTERFUND TRANSACTIONS (CONTINUED)**

**B. Interfund Transfers**

On June 30, 2019, interfund transfers on fund financial statements consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
<i><u>Major Governmental Funds</u></i>		
General	\$ -	\$ 367,445
 <i><u>Nonmajor Governmental Funds</u></i>		
Special Revenue Funds	247,078	-
Bond Retirement Fund	120,367	-
<b>Total Interfund Transfers</b>	<b>\$ 367,445</b>	<b>\$ 367,445</b>

Transfers were made to provide additional resources for current operations. The interfund transfers between governmental activities were eliminated on the entity-wide financial statements.

**NOTE 23: SET-ASIDE REQUIREMENTS**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the 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 year-end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2019, only the unspent portion of certain workers' compensation refunds continues to be a required set-aside. As a result of the implementation of GASB Statement No. 54, the School District's budget stabilization amount has been classified as unassigned fund balance. This fund balance classification is necessary since the School District does not provide specific circumstances and these circumstances could occur routinely.

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

**Euclid City School District**

*Notes to the Basic Financial Statements  
June 30, 2019  
(continued)*

**NOTE 23: SET-ASIDE REQUIREMENTS (CONTINUED)**

	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-Aside Constraint Balance as of June 30, 2018	\$ -	\$ 476,511
Current Year Set-Aside Requirements	877,250	-
Qualifying Disbursements	(788,275)	-
Current Year Offsets:		
Permanent Improvement Levy-related Proceeds	<u>(933,255)</u>	<u>-</u>
 Totals	 <u>(844,280)</u>	 <u>476,511</u>
 Set-Aside Balance Carried Forward to Future Fiscal Years	 <u>\$ -</u>	 <u>\$ 476,511</u>
 Set-Aside Constraint Balance as of June 30, 2019	 <u>\$ -</u>	 <u>\$ 476,511</u>

Although the School District had qualifying disbursements or current year offsets during the year that reduced the capital improvements set-aside amount below zero, these extra amounts may not be used to reduce the set-aside requirement in future fiscal years.

**NOTE 24: OTHER COMMITMENTS**

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of June 30, 2019, the School District's commitments for encumbrances in the governmental funds were as follows:

	<u>Encumbrances Outstanding</u>
<i><u>Major Governmental Funds</u></i>	
General	\$ 2,432,674
Building	5,949,522
Classroom Facilities	71,014,418
 <i><u>Nonmajor Governmental Funds</u></i>	
Special Revenue Funds	308,844
Capital Project Fund	86,488
<b>Total Encumbrances Outstanding</b>	<u><u>\$ 79,791,946</u></u>

## Euclid City School District

### *Notes to the Basic Financial Statements*

*June 30, 2019*

*(continued)*

#### NOTE 25: **TAX ABATEMENTS**

As of June 30, 2019, the School District had forgone tax revenue in the form of property taxes as a result of tax abatement agreements entered into by another government (the City of Euclid). The City provides tax abatements through Community Reinvestment Area programs. Pursuant to Ohio Revised Code Chapter 5709, the City established six Community Reinvestment Area Program districts targeting specific portions of the City for development and redevelopment. The City provides administrative approval of tax abatement for qualifying investments. The amount of the abatement is deducted from the recipient's property tax bill. For fiscal year 2019, the School District's value of the property taxes forgone amounted to \$993,982 (tax year 2018).

#### NOTE 26: **SUBSEQUENT EVENTS**

On September 5, 2019, the School District issued \$12,500,000 in Certificates of Participation (COPs) with coupon rates ranging from 3.00 percent to 4.00 percent and maturing on December 1, 2049. The proceeds from this debt will be used to renovate the north wing of the High School.

The School District placed a levy on the November, 2019 ballot to renew a 10-year \$5.6 million emergency levy. This levy attempt failed. The School District is currently evaluating all levels of operations and determining the extent of budgetary reductions that will be needed as well as additional property tax levies to be placed on future ballots.

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**REQUIRED SUPPLEMENTARY DATA**

**Euclid City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Six Fiscal Years (1)*

	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.3299564%	0.3239504%	0.3431075%	0.3485032%	0.388582%	0.388582%
School District's Proportionate Share of the Net Pension Liability	\$ 18,897,214	\$ 19,355,320	\$ 25,112,303	\$ 19,885,931	\$ 19,665,914	\$ 23,107,724
School District's Covered Payroll	\$ 10,668,074	\$ 10,474,979	\$ 10,661,107	\$ 10,471,662	\$ 11,113,947	\$ 13,149,689
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	177.14%	184.78%	235.55%	189.90%	176.95%	175.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available. The Schedule is intended to show ten years of information, and additional years will be displayed as they become available.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

The notes to the required supplementary information are an integral part of this statement.

**Euclid City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Six Fiscal Years (1)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's Proportion of the Net Pension Liability	0.29482068%	0.30128492%	0.32006205%	0.31291268%	0.30803718%	0.30803718%
School District's Proportionate Share of the Net Pension Liability	\$ 64,824,448	\$ 71,570,878	\$ 107,134,416	\$ 86,479,912	\$ 74,925,303	\$ 89,250,530
School District's Covered Payroll	\$ 33,327,414	\$ 33,205,336	\$ 33,868,636	\$ 32,764,671	\$ 32,379,377	\$ 32,114,900
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	194.51%	215.54%	316.32%	263.94%	231.40%	277.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.31%	75.29%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available. The Schedule is intended to show ten years of information, and additional years will be displayed as they become available.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

The notes to the required supplementary information are an integral part of this statement.

**Euclid City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Pension Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 1,475,930	\$ 1,440,190	\$ 1,466,497	\$ 1,492,555
Contributions in Relation to the Contractually Required Contribution	<u>(1,475,930)</u>	<u>(1,440,190)</u>	<u>(1,466,497)</u>	<u>(1,492,555)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District Covered Payroll	\$ 10,932,815	\$ 10,668,074	\$ 10,474,979	\$ 10,661,107
Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%

The notes to the required supplementary information are an integral part of this statement.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,380,165	\$ 1,540,393	\$ 1,819,917	\$ 1,874,909	\$ 1,623,663	\$ 1,781,136
<u>(1,380,165)</u>	<u>(1,540,393)</u>	<u>(1,819,917)</u>	<u>(1,874,909)</u>	<u>(1,623,663)</u>	<u>(1,781,136)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 10,471,662	\$ 11,113,947	\$ 13,149,689	\$ 13,939,844	\$ 12,916,969	\$ 13,154,623
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

**Euclid City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Pension Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 4,662,095	\$ 4,665,838	\$ 4,648,747	\$ 4,741,609
Contributions in Relation to the Contractually Required Contribution	<u>(4,662,095)</u>	<u>(4,665,838)</u>	<u>(4,648,747)</u>	<u>(4,741,609)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 33,300,679	\$ 33,327,414	\$ 33,205,336	\$ 33,868,636
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

The notes to the required supplementary information are an integral part of this statement.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 4,587,054	\$ 4,209,319	\$ 4,174,937	\$ 4,271,755	\$ 4,684,882	\$ 4,747,383
<u>(4,587,054)</u>	<u>(4,209,319)</u>	<u>(4,174,937)</u>	<u>(4,271,755)</u>	<u>(4,684,882)</u>	<u>(4,747,383)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 32,764,671	\$ 32,379,377	\$ 32,114,900	\$ 32,859,654	\$ 36,037,554	\$ 36,518,331
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**Euclid City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Three Fiscal Years (1)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability	0.3318396%	0.3264677%	0.3457565%
School District's Proportionate Share of the Net OPEB Liability	\$ 9,206,128	\$ 8,761,536	\$ 9,855,338
School District's Covered Payroll	\$ 10,668,074	\$ 10,474,979	\$ 10,661,107
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	86.30%	83.64%	92.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available. The Schedule is intended to show ten years of information, and additional years will be displayed as they become available.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

The notes to the required supplementary information are an integral part of this statement.



**Euclid City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability/Asset*  
*School Teachers Retirement System of Ohio*  
*Last Three Fiscal Years (1)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability/Asset	0.29482068%	0.30128492%	0.32006205%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (4,737,467)	\$ 11,755,027	\$ 17,117,002
School District's Covered Payroll	\$ 33,327,414	\$ 33,205,336	\$ 33,868,636
School District's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-14.21%	35.40%	50.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	176.00%	47.11%	37.30%

(1) Information prior to 2017 is not available. The Schedule is intended to show ten years of information, and additional years will be displayed as they become available.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

The notes to the required supplementary information are an integral part of this statement.

**Euclid City School District**  
*Required Supplementary Information*  
*Schedule of the School District's OPEB Contributions*  
*State Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution (1)	\$ 238,523	\$ 219,878	\$ 212,249	\$ 166,608
Contributions in Relation to the Contractually Required Contribution	<u>(238,523)</u>	<u>(219,878)</u>	<u>(212,249)</u>	<u>(166,608)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District Covered Payroll	\$ 10,932,815	\$ 10,668,074	\$ 10,474,979	\$ 10,661,107
OPEB Contributions as a Percentage of Covered Payroll (1)	2.18%	2.06%	2.03%	1.56%

(1) Includes Surcharge

The notes to the required supplementary information are an integral part of this statement

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 244,993	\$ 213,703	\$ 207,850	\$ 248,837	\$ 369,910	\$ 259,566
<u>(244,993)</u>	<u>(213,703)</u>	<u>(207,850)</u>	<u>(248,837)</u>	<u>(369,910)</u>	<u>(259,566)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 10,471,662	\$ 11,113,947	\$ 13,149,689	\$ 13,939,844	\$ 12,916,969	\$ 13,154,623
2.34%	1.92%	1.58%	1.79%	2.86%	1.97%

**Euclid City School District**  
*Required Supplementary Information*  
*Schedule of the School District's OPEB Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 33,300,679	\$ 33,327,414	\$ 33,205,336	\$ 33,868,636
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

The notes to the required supplementary information are an integral part of this statement.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 323,794	\$ 321,149	\$ 328,597	\$ 360,376	\$ 365,183
<u>-</u>	<u>(323,794)</u>	<u>(321,149)</u>	<u>(328,597)</u>	<u>(360,376)</u>	<u>(365,183)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 32,764,671	\$ 32,379,377	\$ 32,114,900	\$ 32,859,654	\$ 36,037,554	\$ 36,518,331
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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## **Euclid City School District**

### *Notes to the Required Supplementary Information June 30, 2019*

#### ***Net Pension Liability***

##### ***Changes of benefit terms- SERS***

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017 and 2019.

The following changes were made to the benefit terms in 2018 as identified: The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

##### ***Changes in assumptions- SERS***

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016 and 2018-2019. 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 and (g) mortality among disable member 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 (h) change in discount rate from 7.75% to 7.5%.

##### ***Changes in benefit terms – STRS***

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2019.

##### ***Changes in assumptions – STRS***

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017 and 2019. For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016, (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

## Euclid City School District

*Notes to the Required Supplementary Information*  
*June 30, 2019*  
*(continued)*

### **Net OPEB Liability**

#### **Changes in Assumptions – SERS**

Amounts reported for fiscal year 2018 and 2019 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

##### Municipal Bond Index Rate:

Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

##### Medicare Trend Assumption

###### Medicare

Fiscal year 2019	5.375 percent decreasing to 4.75 percent
Fiscal year 2018	5.50 percent decreasing to 5.00 percent

###### Pre - Medicare

Fiscal year 2019	7.25 percent decreasing to 4.75 percent
Fiscal year 2018	7.50 percent decreasing to 5.00 percent

#### **Changes in Assumptions – STRS**

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent and in fiscal year 2019 the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent, based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified.

The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

#### **Changes in Benefit Terms – STRS**

Also, for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service, and increased from 1.9 percent to 1.944 percent 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.



## **SUPPLEMENTAL DATA**

## Euclid City School District

### *Fund Descriptions* *Nonmajor Governmental Funds*

#### **Nonmajor Special Revenue Funds**

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Descriptions of the School District's nonmajor special revenue funds follow:

**Special Trust** – This fund accounts for monies used for purposes that are beneficial to the overall operation of the School District.

**Public School Support** - This fund is used for the general support of the school building, staff, and students. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

**Other Grants** - This fund is used to account for the proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specified purposes

**Classroom Facilities Maintenance** – This fund is used to account for the proceeds of a levy for the maintenance of facilities. The School District utilizes the equivalent of 0.5 mill from its on-going Permanent Improvement Levy for 23 years.

**Termination Benefits** – This fund accumulated funds to pay termination benefits to eligible employees. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

**District Managed Student Activity** - This fund is used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund includes all athletic programs, except supplemental coaching contacts, and accounts for revenues and costs of the School District's athletic programs and other district managed student activities.

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

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

**Miscellaneous State Grants** – This fund accounts for various monies received from state agencies which are not classified elsewhere.

**IDEA, Part B Special Education, Education of Handicapped Children** - The purpose of this Federal program is 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 elementary and secondary levels.

## Euclid City School District

### *Fund Descriptions* *Nonmajor Governmental Funds*

**Project Head Start** – This fund accounts for monies restricted to promote school readiness by enhancing social and cognitive development of low income children through the provision of comprehensive health, educational, nutritional, social and other services.

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

**Title I – Disadvantaged Children/Targeted Assistance** - This fund is used to provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

**IDEA Preschool Grant for the Handicapped** – The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three through five years.

**Improving Teacher Quality** - This fund is used to account for monies to hire additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

**Miscellaneous Federal Grants** - This fund is used to account for various monies received through state agencies from the Federal government or directly from the Federal government. The School District utilizes this fund to account for monies restricted for the Safe Routes to School grant passed through from the Ohio Department of Transportation.

### **Nonmajor Capital Projects Fund**

Capital Projects funds are used to account for and report financial resources that are restricted, committed or assigned for the acquisition or construction of major capital facilities and other capital assets. Descriptions of the School District's nonmajor capital projects funds follow:

**Permanent Improvement** – This fund is used to account for all transactions relating to the acquiring, constructing, or improving such permanent improvements as are authorized by Ohio Revised Code, Chapter 5705.

**Replacement** – This fund exists for the replacement of equipment and other items not covered by the School District's building and contents insurance.

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## Euclid City School District

### Combining Balance Sheet Nonmajor Governmental Funds June 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 2,298,484	\$ 2,414,549	\$ 4,713,033
Accounts Receivable	512	2,500	3,012
Intergovernmental Receivable	590,993	-	590,993
Property Taxes Receivable	-	1,428,608	1,428,608
Lease Receivable	-	388,604	388,604
<b>Total Assets</b>	<b>\$ 2,889,989</b>	<b>\$ 4,234,261</b>	<b>\$ 7,124,250</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 94,821	\$ 85,702	\$ 180,523
Accrued Wages and Benefits	406,182	-	406,182
Intergovernmental Payable	128,130	-	128,130
Due to Other Funds	127,000	-	127,000
Claims Payable	-	217	217
<b>Total Liabilities</b>	<b>756,133</b>	<b>85,919</b>	<b>842,052</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	-	939,785	939,785
Unavailable Revenue - Delinquent Property Taxes	-	241,047	241,047
Unavailable Revenue - Grants	590,140	-	590,140
Unavailable Revenue - Other	-	391,104	391,104
<b>Total Deferred Inflows of Resources</b>	<b>590,140</b>	<b>1,571,936</b>	<b>2,162,076</b>
<b>Fund Balances:</b>			
Restricted	2,088,511	2,544,576	4,633,087
Committed	21,668	-	21,668
Assigned	-	31,830	31,830
Unassigned	(566,463)	-	(566,463)
<b>Total Fund Balances</b>	<b>1,543,716</b>	<b>2,576,406</b>	<b>4,120,122</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,889,989</b>	<b>\$ 4,234,261</b>	<b>\$ 7,124,250</b>

## Euclid City School District

### 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 Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
Taxes:			
Property	\$ 248,518	\$ 570,864	\$ 819,382
Transportation Fees	715	-	715
Earnings on Investments	3,503	44,676	48,179
Extracurricular Activities	151,397	-	151,397
Rentals	29,006	21,780	50,786
Contributions and Donations from Private Sources	63,120	-	63,120
Miscellaneous Revenues	9,211	27,407	36,618
Revenues from State Sources:			
Unrestricted Grants-in-Aid	-	164,681	164,681
Restricted Grants-in-Aid	1,251,009	-	1,251,009
Revenues from Federal Sources:			
Restricted Grants-in-Aid	4,012,054	-	4,012,054
<b>Total Revenues</b>	<u>5,768,533</u>	<u>829,408</u>	<u>6,597,941</u>
<b>Expenditures:</b>			
Instruction:			
Regular	566,144	87,207	653,351
Special	2,304,257	-	2,304,257
Supporting Services:			
Pupils	409,793	-	409,793
Instructional Staff	657,238	-	657,238
Administration	134,049	-	134,049
Fiscal Services	65,963	26,091	92,054
Business	14,981	31,505	46,486
Operation and Maintenance of Plant Services	232,044	27,662	259,706
Central	6,643	757,698	764,341
Operation of Non-Instructional Services:			
Community Services	971,849	-	971,849
Extracurricular Activities	307,603	-	307,603
<b>Total Expenditures</b>	<u>5,670,564</u>	<u>930,163</u>	<u>6,600,727</u>
Excess (Deficiency) of Revenues over Expenditures	97,969	(100,755)	(2,786)
<b>Other Financing Sources (Uses):</b>			
Sale and Loss of Assets	-	635,778	635,778
Transfers In	247,078	-	247,078
<b>Total Other Financing Sources (Uses)</b>	<u>247,078</u>	<u>635,778</u>	<u>882,856</u>
Net Change in Fund Balances	345,047	535,023	880,070
Fund Balances - Beginning	1,198,669	2,041,383	3,240,052
<b>Fund Balances - Ending</b>	<u>\$ 1,543,716</u>	<u>\$ 2,576,406</u>	<u>\$ 4,120,122</u>

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## Euclid City School District

### *Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2019*

	Special Trust	Other Grants	Classroom Facilities Maintenance
<b>Assets:</b>			
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 21,668	\$ 76,917	\$ 1,936,082
Accounts Receivable	-	-	-
Intergovernmental Receivable	-	-	-
	-	-	-
<b>Total Assets</b>	\$ 21,668	\$ 76,917	\$ 1,936,082
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ -	\$ 4,905
Accrued Wages and Benefits	-	-	-
Intergovernmental Payable	-	-	-
Due to Other Funds	-	-	-
	-	-	-
<b>Total Liabilities</b>	-	-	4,905
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue - Grants	-	-	-
	-	-	-
<b>Total Deferred Inflows of Resources</b>	-	-	-
<b>Fund Balances:</b>			
Restricted	-	76,917	1,931,177
Committed	21,668	-	-
Unassigned	-	-	-
	-	-	-
<b>Total Fund Balances</b>	21,668	76,917	1,931,177
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	\$ 21,668	\$ 76,917	\$ 1,936,082



District Managed Student Activity	Auxiliary Services	Public School Preschool	Miscellaneous State Grants	IDEA, Part B Special Education, Education of Handicapped Children
\$ 50,369	\$ 75,735	\$ -	\$ 29,425	\$ -
512	-	-	-	-
-	853	-	-	4,858
<u>\$ 50,881</u>	<u>\$ 76,588</u>	<u>\$ -</u>	<u>\$ 29,425</u>	<u>\$ 4,858</u>
\$ 21,819	\$ 25,523	\$ -	\$ -	\$ -
-	665	-	-	2,781
430	28,200	-	-	2,077
-	-	-	-	-
<u>22,249</u>	<u>54,388</u>	<u>-</u>	<u>-</u>	<u>4,858</u>
-	-	-	-	4,858
-	-	-	-	4,858
28,632	22,200	-	29,425	-
-	-	-	-	-
-	-	-	-	(4,858)
<u>28,632</u>	<u>22,200</u>	<u>-</u>	<u>29,425</u>	<u>(4,858)</u>
<u>\$ 50,881</u>	<u>\$ 76,588</u>	<u>\$ -</u>	<u>\$ 29,425</u>	<u>\$ 4,858</u>

(continued)

## Euclid City School District

### Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2019 (continued)

	Project Head Start	Title III - Limited English Proficiency	Title I - Disadvantaged Children/Targeted Assistance
<b>Assets:</b>			
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ -	\$ 160	\$ 31,223
Accounts Receivable	-	-	-
Intergovernmental Receivable	-	-	426,298
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 160</b>	<b>\$ 457,521</b>
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ -	\$ 182
Accrued Wages and Benefits	30,332	-	325,478
Intergovernmental Payable	3,326	-	84,248
Due to Other Funds	-	-	45,000
<b>Total Liabilities</b>	<b>33,658</b>	<b>-</b>	<b>454,908</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable Revenue - Grants	-	-	426,298
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>426,298</b>
<b>Fund Balances:</b>			
Restricted	-	160	-
Committed	-	-	-
Unassigned	(33,658)	-	(423,685)
<b>Total Fund Balances</b>	<b>(33,658)</b>	<b>160</b>	<b>(423,685)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 160</b>	<b>\$ 457,521</b>

<u>IDEA Preschool Grant for the Handicapped</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 7,000	\$ 28,465	\$ 41,440	\$ 2,298,484
-	-	-	512
<u>4,279</u>	<u>81,538</u>	<u>73,167</u>	<u>590,993</u>
<u>\$ 11,279</u>	<u>\$ 110,003</u>	<u>\$ 114,607</u>	<u>\$ 2,889,989</u>
\$ -	\$ 5,320	\$ 37,072	\$ 94,821
3,449	43,477	-	406,182
829	8,688	332	128,130
<u>7,000</u>	<u>30,000</u>	<u>45,000</u>	<u>127,000</u>
<u>11,278</u>	<u>87,485</u>	<u>82,404</u>	<u>756,133</u>
<u>4,279</u>	<u>81,538</u>	<u>73,167</u>	<u>590,140</u>
<u>4,279</u>	<u>81,538</u>	<u>73,167</u>	<u>590,140</u>
-	-	-	2,088,511
-	-	-	21,668
<u>(4,278)</u>	<u>(59,020)</u>	<u>(40,964)</u>	<u>(566,463)</u>
<u>(4,278)</u>	<u>(59,020)</u>	<u>(40,964)</u>	<u>1,543,716</u>
<u>\$ 11,279</u>	<u>\$ 110,003</u>	<u>\$ 114,607</u>	<u>\$ 2,889,989</u>

## Euclid City School District

### *Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Fiscal Year Ended June 30, 2019*

	<u>Special Trust</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>
<b>Revenues:</b>			
Taxes:			
Property	\$ -	\$ -	\$ 248,518
Transportation Fees	-	-	-
Earnings on Investments	-	-	-
Extracurricular Activities	-	-	-
Rentals	-	-	-
Contributions and Donations from Private Sources	4,301	34,715	-
Miscellaneous Revenues	-	-	-
Revenues from State Sources:			
Restricted Grants-in-Aid	-	-	299,978
Revenues from Federal Sources:			
Restricted Grants-in-Aid	-	-	-
	<u>4,301</u>	<u>34,715</u>	<u>548,496</u>
<b>Total Revenues</b>	<u>4,301</u>	<u>34,715</u>	<u>548,496</u>
<b>Expenditures:</b>			
Instruction:			
Regular	-	38,261	-
Special	-	-	-
Supporting Services:			
Pupils	-	-	-
Instructional Staff	-	4,907	-
Administration	-	1,540	-
Fiscal Services	-	-	-
Business	-	-	14,981
Operation and Maintenance of Plant Services	-	-	228,926
Central	-	-	-
Operation of Non-Instructional Services:			
Community Services	4,705	-	-
Extracurricular Activities	1,400	-	-
	<u>6,105</u>	<u>44,708</u>	<u>243,907</u>
<b>Total Expenditures</b>	<u>6,105</u>	<u>44,708</u>	<u>243,907</u>
Excess (Deficiency) of Revenues over Expenditures	(1,804)	(9,993)	304,589
<b>Other Financing Sources (Uses):</b>			
Transfers In	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,804)	(9,993)	304,589
Fund Balances - Beginning	23,472	86,910	1,626,588
<b>Fund Balances - Ending</b>	<u>\$ 21,668</u>	<u>\$ 76,917</u>	<u>\$ 1,931,177</u>

District Managed Student Activity	Auxiliary Services	Public School Preschool	Miscellaneous State Grants	IDEA, Part B Special Education, Education of Handicapped Children
\$ -	\$ -	\$ -	\$ -	\$ -
715	-	-	-	-
-	3,503	-	-	-
151,397	-	-	-	-
29,006	-	-	-	-
24,104	-	-	-	-
7,434	1,777	-	-	-
-	661,606	260,000	29,425	-
-	-	-	-	1,527,113
<u>212,656</u>	<u>666,886</u>	<u>260,000</u>	<u>29,425</u>	<u>1,527,113</u>
-	-	261,852	-	-
-	-	-	-	1,192,501
-	-	-	-	-
-	-	-	-	84,579
-	-	-	-	-
-	26,589	-	-	1,797
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	703,781	-	-	35,818
<u>306,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>306,203</u>	<u>730,370</u>	<u>261,852</u>	<u>-</u>	<u>1,314,695</u>
(93,547)	(63,484)	(1,852)	29,425	212,418
<u>100,000</u>	<u>-</u>	<u>1,852</u>	<u>-</u>	<u>-</u>
<u>100,000</u>	<u>-</u>	<u>1,852</u>	<u>-</u>	<u>-</u>
6,453	(63,484)	-	29,425	212,418
<u>22,179</u>	<u>85,684</u>	<u>-</u>	<u>-</u>	<u>(217,276)</u>
<u>\$ 28,632</u>	<u>\$ 22,200</u>	<u>\$ -</u>	<u>\$ 29,425</u>	<u>\$ (4,858)</u>

(continued)

**Euclid City School District**

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2019  
(continued)*

	<u>Project Head Start</u>	<u>Title III - Limited English Proficiency</u>	<u>Title I - Disadvantaged Children/Targeted Assistance</u>
<b>Revenues:</b>			
Taxes:			
Property	\$ -	\$ -	\$ -
Transportation Fees	-	-	-
Earnings on Investments	-	-	-
Extracurricular Activities	-	-	-
Rentals	-	-	-
Contributions and Donations from Private Sources	-	-	-
Miscellaneous Revenues	-	-	-
Revenues from State Sources:			
Restricted Grants-in-Aid	-	-	-
Revenues from Federal Sources:			
Restricted Grants-in-Aid	45,210	-	2,107,133
<b>Total Revenues</b>	<u>45,210</u>	<u>-</u>	<u>2,107,133</u>
<b>Expenditures:</b>			
Instruction:			
Regular	-	-	224,209
Special	162,372	-	937,515
Supporting Services:			
Pupils	-	-	407,766
Instructional Staff	-	-	305,515
Administration	-	-	132,509
Fiscal Services	-	-	32,931
Business	-	-	-
Operation and Maintenance of Plant Services	-	-	-
Central	-	-	-
Operation of Non-Instructional Services:			
Community Services	-	-	194,283
Extracurricular Activities	-	-	-
<b>Total Expenditures</b>	<u>162,372</u>	<u>-</u>	<u>2,234,728</u>
Excess (Deficiency) of Revenues over Expenditures	(117,162)	-	(127,595)
<b>Other Financing Sources (Uses):</b>			
Transfers In	116,859	-	24,902
<b>Total Other Financing Sources (Uses)</b>	<u>116,859</u>	<u>-</u>	<u>24,902</u>
Net Change in Fund Balances	(303)	-	(102,693)
Fund Balances - Beginning	(33,355)	160	(320,992)
<b>Fund Balances - Ending</b>	<u>\$ (33,658)</u>	<u>\$ 160</u>	<u>\$ (423,685)</u>

IDEA Preschool Grant for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 248,518
-	-	-	715
-	-	-	3,503
-	-	-	151,397
-	-	-	29,006
-	-	-	63,120
-	-	-	9,211
-	-	-	1,251,009
<u>32,274</u>	<u>262,118</u>	<u>38,206</u>	<u>4,012,054</u>
<u>32,274</u>	<u>262,118</u>	<u>38,206</u>	<u>5,768,533</u>
-	-	41,822	566,144
11,869	-	-	2,304,257
-	-	2,027	409,793
15,638	235,563	11,036	657,238
-	-	-	134,049
451	3,863	332	65,963
-	-	-	14,981
-	-	3,118	232,044
-	-	6,643	6,643
-	19,278	13,984	971,849
<u>-</u>	<u>-</u>	<u>-</u>	<u>307,603</u>
<u>27,958</u>	<u>258,704</u>	<u>78,962</u>	<u>5,670,564</u>
4,316	3,414	(40,756)	97,969
<u>-</u>	<u>3,465</u>	<u>-</u>	<u>247,078</u>
<u>-</u>	<u>3,465</u>	<u>-</u>	<u>247,078</u>
4,316	6,879	(40,756)	345,047
<u>(8,594)</u>	<u>(65,899)</u>	<u>(208)</u>	<u>1,198,669</u>
<u>\$ (4,278)</u>	<u>\$ (59,020)</u>	<u>\$ (40,964)</u>	<u>\$ 1,543,716</u>

## Euclid City School District

### *Combining Balance Sheet Nonmajor Capital Projects Funds June 30, 2019*

	Permanent Improvement	Replacement	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 2,380,992	\$ 33,557	\$ 2,414,549
Accounts Receivable	2,500	-	2,500
Property Taxes Receivable	1,428,608	-	1,428,608
Lease Receivable	388,604	-	388,604
<b>Total Assets</b>	<b>\$ 4,200,704</b>	<b>\$ 33,557</b>	<b>\$ 4,234,261</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 84,192	\$ 1,510	\$ 85,702
Claims Payable	-	217	217
<b>Total Liabilities</b>	84,192	1,727	85,919
<b>Deferred Inflows of Resources:</b>			
Property Taxes	939,785	-	939,785
Unavailable Revenue - Delinquent Property Taxes	241,047	-	241,047
Unavailable Revenue - Other	391,104	-	391,104
<b>Total Deferred Inflows of Resources</b>	1,571,936	-	1,571,936
<b>Fund Balances:</b>			
Restricted	2,544,576	-	2,544,576
Assigned	-	31,830	31,830
<b>Total Fund Balances</b>	2,544,576	31,830	2,576,406
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 4,200,704</b>	<b>\$ 33,557</b>	<b>\$ 4,234,261</b>



**Euclid City School District**

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2019*

	<u>Permanent Improvement</u>	<u>Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues:</b>			
Taxes:			
Property	\$ 570,864	\$ -	\$ 570,864
Earnings on Investments	44,125	551	44,676
Rentals	21,780	-	21,780
Miscellaneous Revenues	1,575	25,832	27,407
Revenues from State Sources:			
Unrestricted Grants-in-Aid	<u>164,681</u>	<u>-</u>	<u>164,681</u>
<b>Total Revenues</b>	<u>803,025</u>	<u>26,383</u>	<u>829,408</u>
<b>Expenditures:</b>			
Instruction:			
Regular	87,207	-	87,207
Supporting Services:			
Fiscal Services	26,091	-	26,091
Business	-	31,505	31,505
Operation and Maintenance of Plant Services	27,562	100	27,662
Central	<u>757,698</u>	<u>-</u>	<u>757,698</u>
<b>Total Expenditures</b>	<u>898,558</u>	<u>31,605</u>	<u>930,163</u>
Excess (Deficiency) of Revenues over Expenditures	(95,533)	(5,222)	(100,755)
<b>Other Financing Sources (Uses):</b>			
Sale and Loss of Assets	<u>635,778</u>	<u>-</u>	<u>635,778</u>
<b>Total Other Financing Sources (Uses)</b>	<u>635,778</u>	<u>-</u>	<u>635,778</u>
Net Change in Fund Balances	540,245	(5,222)	535,023
Fund Balances - Beginning	<u>2,004,331</u>	<u>37,052</u>	<u>2,041,383</u>
<b>Fund Balances - Ending</b>	<u>\$ 2,544,576</u>	<u>\$ 31,830</u>	<u>\$ 2,576,406</u>

## **Euclid City School District**

### *Fund Descriptions* *Nonmajor Enterprise Funds*

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public, be financed or recovered primarily through user charges.

**Food Service** – This fund accounts for the provision of food service to the School District.

**Customer Services** – This fund accounts for services provided primarily to the general public which are financed or recovered through user charges.

## Euclid City School District

### Combining Statement of Net Position Nonmajor Enterprise Funds June 30, 2019

	<b>Food Services</b>	<b>Customer Services</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets:</b>			
<u>Current Assets</u>			
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 1,805,534	\$ 23,834	\$ 1,829,368
Materials and Supplies Inventory	111,383	-	111,383
Accounts Receivable	249	-	249
Intergovernmental Receivable	66,557	-	66,557
Prepaid Items	990	-	990
<i>Total Current Assets</i>	1,984,713	23,834	2,008,547
<u>Noncurrent Assets</u>			
Capital Assets:			
Depreciable Capital Assets, Net of Depreciation	366,434	-	366,434
<b>Total Assets</b>	2,351,147	23,834	2,374,981
<b>Deferred Outflows of Resources:</b>			
Pensions	313,773	-	313,773
Other Post-Employment Benefits	48,388	-	48,388
<b>Total Deferred Outflows of Resources</b>	362,161	-	362,161
<b>Liabilities:</b>			
<u>Current Liabilities</u>			
Accounts Payable	16,430	-	16,430
Accrued Wages and Benefits	14,617	-	14,617
Intergovernmental Payable	51,345	-	51,345
Matured Compensated Absences Payable	31,360	-	31,360
Compensated Absences Payable	8,744	-	8,744
<i>Total Current Liabilities</i>	122,496	-	122,496
<u>Noncurrent Liabilities</u>			
Compensated Absences Payable	16,384	-	16,384
Net Pension Liability	1,887,324	-	1,887,324
Net Other Post-Employment Benefits Liability	738,102	-	738,102
<i>Total Noncurrent Liabilities</i>	2,641,810	-	2,641,810
<b>Total Liabilities</b>	2,764,306	-	2,764,306
<b>Deferred Inflows of Resources:</b>			
Pensions	122,872	-	122,872
Other Post-Employment Benefits	83,636	-	83,636
<b>Total Deferred Inflows of Resources</b>	206,508	-	206,508
<b>Net Position:</b>			
Investment in Capital Assets	366,434	-	366,434
Unrestricted	(623,940)	23,834	(600,106)
<b>Total Net Position</b>	\$ (257,506)	\$ 23,834	\$ (233,672)

## Euclid City School District

### Combining Statement of Revenues, Expenses and Changes in Net Position Nonmajor Enterprise Funds For the Fiscal Year Ended June 30, 2019

	<b>Food Services</b>	<b>Customer Services</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating Revenues:</b>			
Charges for Services:			
Food Services	\$ 123,322	\$ 11,693	\$ 135,015
Other	-	2,472	2,472
Commissions	124	-	124
Other Miscellaneous Revenues	37,545	-	37,545
<b>Total Operating Revenues</b>	<b>160,991</b>	<b>14,165</b>	<b>175,156</b>
<b>Operating Expenses:</b>			
Salaries and Wages	1,043,555	-	1,043,555
Employee's Retirement and Insurance Benefits	293,208	-	293,208
Purchased Services	41,148	-	41,148
Supplies and Materials	1,265,200	26,192	1,291,392
Depreciation Expense	44,214	-	44,214
Other	3,607	700	4,307
<b>Total Operating Expenses</b>	<b>2,690,932</b>	<b>26,892</b>	<b>2,717,824</b>
Operating Income (Loss)	<b>(2,529,941)</b>	<b>(12,727)</b>	<b>(2,542,668)</b>
<b>Nonoperating Revenues (Expenses):</b>			
Earnings on Investments	33,346	-	33,346
Contributions and Donations from Private Sources	15,000	7,103	22,103
Intergovernmental	2,426,004	-	2,426,004
Donated Commodities	219,337	-	219,337
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,693,687</b>	<b>7,103</b>	<b>2,700,790</b>
Change in Net Position	<b>163,746</b>	<b>(5,624)</b>	<b>158,122</b>
Net Position - Beginning of Year	<b>(421,252)</b>	<b>29,458</b>	<b>(391,794)</b>
<b>Net Position - End of Year</b>	<b>\$ (257,506)</b>	<b>\$ 23,834</b>	<b>\$ (233,672)</b>

# Euclid City School District

## Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Fiscal Year Ended June 30, 2019

	<b>Food Services</b>	<b>Customer Services</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Charges for Food Services	\$ 127,187	\$ 11,693	\$ 138,880
Receipts from Charges for Other Services	-	2,472	2,472
Other Receipts	42,448	-	42,448
Payments to Employees for Salaries and Wages	(1,010,934)	-	(1,010,934)
Payments to Employees for Retirement and Insurance Benefits	(375,253)	-	(375,253)
Payments to Suppliers and Service Providers for Goods and Services	(1,087,761)	(26,192)	(1,113,953)
Other Payments	(3,504)	(700)	(4,204)
<b>Net Cash provided by (used for) Operating Activities</b>	<b>(2,307,817)</b>	<b>(12,727)</b>	<b>(2,320,544)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Contributions and Donations from Private Sources Received	15,000	7,103	22,103
Operating Grants Received	2,422,948	-	2,422,948
<b>Net Cash provided by (used for) Noncapital Financing Activities</b>	<b>2,437,948</b>	<b>7,103</b>	<b>2,445,051</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	33,346	-	33,346
<b>Net Cash provided by (used for) Investing Activities</b>	<b>33,346</b>	<b>-</b>	<b>33,346</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>163,477</b>	<b>(5,624)</b>	<b>157,853</b>
Cash and Cash Equivalents - Beginning of Year	1,642,057	29,458	1,671,515
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,805,534</b>	<b>\$ 23,834</b>	<b>\$ 1,829,368</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (2,529,941)	\$ (12,727)	\$ (2,542,668)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation Expense	44,214	-	44,214
Federal Donated Commodities	219,337	-	219,337
(Increase) Decrease in Assets and Deferred Outflows:			
Accounts Receivable	3,656	-	3,656
Intergovernmental Receivable	4,988	-	4,988
Materials and Supplies Inventory	(11,705)	-	(11,705)
Prepaid Items	10,463	-	10,463
Deferred Outflows - Pension	13,618	-	13,618
Deferred Outflows - Other Post-Employment Benefits	(30,979)	-	(30,979)
Increase (Decrease) in Liabilities and Deferred Inflows:			
Accounts Payable	595	-	595
Accrued Wages and Payables	(7,141)	-	(7,141)
Intergovernmental Payable	10,308	-	10,308
Matured Compensated Absences Payable	31,314	-	31,314
Compensated Absences Payable	5,150	-	5,150
Net Pension Liability	(45,752)	-	(45,752)
Net Other Post-Employment Benefits Liability	44,404	-	44,404
Deferred Inflows - Pension	(54,368)	-	(54,368)
Deferred Inflows - Other Post-Employment Benefits	(15,978)	-	(15,978)
<b>Net Cash Provided By (Used For) Operating Activities</b>	<b>\$ (2,307,817)</b>	<b>\$ (12,727)</b>	<b>\$ (2,320,544)</b>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Donated Commodities	\$ 219,337	\$ -	\$ 219,337

## Euclid City School District

### *Fund Descriptions* *Internal Service Funds*

Internal Service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the School District or to other school districts on a cost reimbursement basis.

**General Rotary** – This fund provides for the purchase of services and equipment by internal persons and organizations.

**Health Insurance** – This fund is to account for the receipt and expense of funds for medical and dental claims for employees.

**Workers' Compensation** – This fund accounts for the claims and premiums paid to the State for workers' compensation insurance.

# Euclid City School District

## Combining Statement of Net Position Internal Service Funds June 30, 2019

	<u>General Rotary</u>	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Total Internal Service Funds</u>
<b>Assets:</b>				
<u>Current Assets</u>				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 50,706	\$ 9,169,872	\$ 2,090,168	\$ 11,310,746
Intergovernmental Receivable	-	-	463,643	463,643
Prepaid Items	-	-	218,663	218,663
<b>Total Assets</b>	<u>50,706</u>	<u>9,169,872</u>	<u>2,772,474</u>	<u>11,993,052</u>
<b>Liabilities:</b>				
<u>Current Liabilities</u>				
Accounts Payable	-	1,250	5,084	6,334
Insurance Claims Payable	-	1,314,479	-	1,314,479
Workers Compensation Claims Payable	-	-	8,799	8,799
<b>Total Current Liabilities</b>	<u>-</u>	<u>1,315,729</u>	<u>13,883</u>	<u>1,329,612</u>
<u>Noncurrent Liabilities</u>				
Workers Compensation Claims Payable	-	-	6,872	6,872
<b>Total Liabilities</b>	<u>-</u>	<u>1,315,729</u>	<u>20,755</u>	<u>1,336,484</u>
<b>Net Position:</b>				
Unrestricted	50,706	7,854,143	2,751,719	10,656,568
<b>Total Net Position</b>	<u>\$ 50,706</u>	<u>\$ 7,854,143</u>	<u>\$ 2,751,719</u>	<u>\$ 10,656,568</u>

## Euclid City School District

*Combining Statement of Revenues, Expenses and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2019*

	<u>General Rotary</u>	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Total Internal Service Funds</u>
<b>Operating Revenues:</b>				
Charges for Services:				
Risk Management	\$ -	\$ 9,363,199	\$ 414,984	\$ 9,778,183
Other	229,096	-	-	229,096
Other Miscellaneous Revenues	11,229	-	575,829	587,058
<b>Total Operating Revenues</b>	<u>240,325</u>	<u>9,363,199</u>	<u>990,813</u>	<u>10,594,337</u>
<b>Operating Expenses:</b>				
Salaries and Wages	13,555	-	-	13,555
Employee's Retirement and Insurance Benefits	152,287	9,463,172	506,985	10,122,444
Purchased Services	71,866	18,092	42,250	132,208
Supplies and Materials	4,203	-	-	4,203
Other	1,806	-	-	1,806
<b>Total Operating Expenses</b>	<u>243,717</u>	<u>9,481,264</u>	<u>549,235</u>	<u>10,274,216</u>
Operating Income (Loss)	<u>(3,392)</u>	<u>(118,065)</u>	<u>441,578</u>	<u>320,121</u>
<b>Nonoperating Revenues (Expenses):</b>				
Contributions and Donations from Private Sources	7,372	-	-	7,372
Intergovernmental	6,104	-	-	6,104
<b>Total Nonoperating Revenues (Expenses)</b>	<u>13,476</u>	<u>-</u>	<u>-</u>	<u>13,476</u>
Change in Net Position	10,084	(118,065)	441,578	333,597
Net Position - Beginning of Year	40,622	7,972,208	2,310,141	10,322,971
<b>Net Position - End of Year</b>	<u>\$ 50,706</u>	<u>\$ 7,854,143</u>	<u>\$ 2,751,719</u>	<u>\$ 10,656,568</u>



## Euclid City School District

### Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended June 30, 2019

	<u>General Rotary</u>	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Total Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Charges for Risk Management	\$ -	\$ 9,363,199	\$ 414,984	\$ 9,778,183
Receipts from Charges for Other Services	229,096	-	-	229,096
Other Receipts	11,229	-	112,186	123,415
Payments to Employees for Salaries and Wages	(13,555)	-	-	(13,555)
Payments to Employees for Retirement and Insurance Benefits	(152,287)	(9,042,993)	(494,204)	(9,689,484)
Payments to Suppliers and Service Providers for Goods and Services	(78,857)	(16,842)	(37,866)	(133,565)
Other Payments	(1,806)	-	-	(1,806)
<b>Net Cash provided by (used for) Operating Activities</b>	<u>(6,180)</u>	<u>303,364</u>	<u>(4,900)</u>	<u>292,284</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Contributions and Donations from Private Sources Received	7,872	-	-	7,872
Operating Grants Received	6,104	-	-	6,104
<b>Net Cash provided by (used for) Noncapital Financing Activities</b>	<u>13,976</u>	<u>-</u>	<u>-</u>	<u>13,976</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	7,796	303,364	(4,900)	306,260
Cash and Cash Equivalents - Beginning of Year	42,910	8,866,508	2,095,068	11,004,486
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 50,706</u>	<u>\$ 9,169,872</u>	<u>\$ 2,090,168</u>	<u>\$ 11,310,746</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (3,392)	\$ (118,065)	\$ 441,578	\$ 320,121
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:				
(Increase) Decrease in Assets and Deferred Outflows:				
Intergovernmental Receivable	-	-	(463,643)	(463,643)
Prepaid Items	-	-	31,054	31,054
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	(2,788)	1,250	4,384	2,846
Insurance Claims Payable	-	420,179	-	420,179
Workers Compensation Claims Payable	-	-	(18,273)	(18,273)
<b>Net Cash Provided By (Used For) Operating Activities</b>	<u>\$ (6,180)</u>	<u>\$ 303,364</u>	<u>\$ (4,900)</u>	<u>\$ 292,284</u>

## Euclid City School District

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

#### *Agency Funds*

**District Agency** – This fund accounts for those assets held by the School District as an agent for individuals, private organization, and other governmental units. The School District utilizes this fund for the purpose of hosting Ohio High School Athletics Association, retainage balances held for construction contractors, and for unclaimed funds.

**Student Activities** - This fund accounts for resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

## Euclid City School District

### Combining Statement of Changes in Assets and Liabilities Fiduciary Funds For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2019</u>
<b><u>District Agency</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 5,054	\$ 87,718	\$ 76,869	\$ 15,903
Cash and Cash Equivalents with:				
Escrow Agents	43,838	960,751	27,938	976,651
<b>Total Assets</b>	<u>\$ 48,892</u>	<u>\$ 1,048,469</u>	<u>\$ 104,807</u>	<u>\$ 992,554</u>
<b><u>Liabilities</u></b>				
Due to School District	\$ -	\$ 44	\$ -	\$ 44
Deposits Held and Due to Others	48,892	1,048,425	104,807	992,510
<b>Total Liabilities</b>	<u>\$ 48,892</u>	<u>\$ 1,048,469</u>	<u>\$ 104,807</u>	<u>\$ 992,554</u>
 <b><u>Student Activities</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 34,340	\$ 53,040	\$ 55,916	\$ 31,464
<b>Total Assets</b>	<u>\$ 34,340</u>	<u>\$ 53,040</u>	<u>\$ 55,916</u>	<u>\$ 31,464</u>
<b><u>Liabilities</u></b>				
Due to Students	\$ 34,340	\$ 53,040	\$ 55,916	31,464
<b>Total Liabilities</b>	<u>\$ 34,340</u>	<u>\$ 53,040</u>	<u>\$ 55,916</u>	<u>\$ 31,464</u>
 <b><u>Total Agency Funds</u></b>				
<b><u>Assets</u></b>				
Equity in Pooled Cash, Cash Equivalents, and Investments	\$ 39,394	\$ 140,758	\$ 132,785	\$ 47,367
Cash and Cash Equivalents with:				
Escrow Agents	43,838	960,751	27,938	976,651
<b>Total Assets</b>	<u>\$ 83,232</u>	<u>\$ 1,101,509</u>	<u>\$ 160,723</u>	<u>\$ 1,024,018</u>
<b><u>Liabilities</u></b>				
Due to Students	\$ 34,340	\$ 53,040	\$ 55,916	\$ 31,464
Due to School District	-	44	-	44
Deposits Held and Due to Others	48,892	1,048,425	104,807	992,510
<b>Total Liabilities</b>	<u>\$ 83,232</u>	<u>\$ 1,101,509</u>	<u>\$ 160,723</u>	<u>\$ 1,024,018</u>

**Individual Fund Schedules of Revenues, Expenditures  
And Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)**

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019*

**General Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues and Other Financing Sources</b>	\$75,321,096	\$72,180,301	\$77,683,366	\$ 5,503,065
<b>Expenditures and Other Financing Uses</b>	<u>81,055,482</u>	<u>81,055,482</u>	<u>79,262,300</u>	<u>1,793,182</u>
Net Change in Budgetary Fund Balance	(5,734,386)	(8,875,181)	(1,578,934)	7,296,247
Budgetary Fund Balance - Beginning of Year	9,884,338	9,884,338	9,884,338	-
Prior Year Encumbrances Appropriated	<u>1,423,003</u>	<u>1,423,003</u>	<u>1,423,003</u>	<u>-</u>
<b>Budgetary Fund Balance - End of Year</b>	<u>\$ 5,572,955</u>	<u>\$ 2,432,160</u>	<u>\$ 9,728,407</u>	<u>\$ 7,296,247</u>

**Bond Retirement Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues and Other Financing Sources</b>	\$ 7,220,713	\$ 7,589,767	\$ 8,292,140	\$ 702,373
<b>Expenditures and Other Financing Uses</b>	<u>7,207,164</u>	<u>7,208,664</u>	<u>7,208,150</u>	<u>514</u>
Net Change in Budgetary Fund Balance	13,549	381,103	1,083,990	702,887
Budgetary Fund Balance - Beginning of Year	<u>10,152,520</u>	<u>10,152,520</u>	<u>10,152,520</u>	<u>-</u>
<b>Budgetary Fund Balance - End of Year</b>	<u>\$10,166,069</u>	<u>\$10,533,623</u>	<u>\$11,236,510</u>	<u>\$ 702,887</u>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Building Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 450,000	\$ 450,000	\$ 647,838	\$ 197,838
<b>Expenditures and Other Financing Uses</b>	29,685,456	29,685,456	22,886,380	6,799,076
Net Change in Budgetary Fund Balance	(29,235,456)	(29,235,456)	(22,238,542)	6,996,914
Budgetary Fund Balance - Beginning of Year	13,094,882	13,094,882	13,094,882	-
Prior Year Encumbrances Appropriated	16,285,456	16,285,456	16,285,456	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 144,882</b>	<b>\$ 144,882</b>	<b>\$ 7,141,796</b>	<b>\$ 6,996,914</b>

**Classroom Facilities Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 10,750,000	\$ 34,750,000	\$ 7,578,167	\$ (27,171,833)
<b>Expenditures and Other Financing Uses</b>	64,924,536	94,924,536	91,889,037	3,035,499
Net Change in Budgetary Fund Balance	(54,174,536)	(60,174,536)	(84,310,870)	(24,136,334)
Budgetary Fund Balance - Beginning of Year	54,905,768	54,905,768	54,905,768	-
Prior Year Encumbrances Appropriated	5,424,536	5,424,536	5,424,536	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 6,155,768</b>	<b>\$ 155,768</b>	<b>\$ (23,980,566)</b>	<b>\$ (24,136,334)</b>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Special Trust Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 35,000	\$ 35,000	\$ 29,301	\$ (5,699)
<b>Expenditures and Other Financing Uses</b>	40,339	40,339	25,275	15,064
Net Change in Budgetary Fund Balance	(5,339)	(5,339)	4,026	9,365
Budgetary Fund Balance - Beginning of Year	60,672	60,672	60,672	-
Prior Year Encumbrances Appropriated	339	339	339	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 55,672</b>	<b>\$ 55,672</b>	<b>\$ 65,037</b>	<b>\$ 9,365</b>

**Public School Support Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 85,000	\$ 85,000	\$ 75,962	\$ (9,038)
<b>Expenditures and Other Financing Uses</b>	105,297	105,297	84,369	20,928
Net Change in Budgetary Fund Balance	(20,297)	(20,297)	(8,407)	11,890
Budgetary Fund Balance - Beginning of Year	37,491	37,491	37,491	-
Prior Year Encumbrances Appropriated	10,297	10,297	10,297	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 27,491</b>	<b>\$ 27,491</b>	<b>\$ 39,381</b>	<b>\$ 11,890</b>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Other Grants Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 126,000	\$ 128,000	\$ 80,103	\$ (47,897)
<b>Expenditures and Other Financing Uses</b>	212,231	214,231	89,570	124,661
Net Change in Budgetary Fund Balance	(86,231)	(86,231)	(9,467)	76,764
Budgetary Fund Balance - Beginning of Year	25,326	25,326	25,326	-
Prior Year Encumbrances Appropriated	61,058	61,058	61,058	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 153</b>	<b>\$ 153</b>	<b>\$ 76,917</b>	<b>\$ 76,764</b>

**Classroom Facilities Maintenance Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 450,000	\$ 450,000	\$ 548,496	\$ 98,496
<b>Expenditures and Other Financing Uses</b>	419,858	419,858	315,342	104,516
Net Change in Budgetary Fund Balance	30,142	30,142	233,154	203,012
Budgetary Fund Balance - Beginning of Year	1,609,020	1,609,020	1,609,020	-
Prior Year Encumbrances Appropriated	19,858	19,858	19,858	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 1,659,020</b>	<b>\$ 1,659,020</b>	<b>\$ 1,862,032</b>	<b>\$ 203,012</b>



**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Termination Benefits Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ -	\$ -	\$ 8,500	\$ 8,500
<b>Expenditures and Other Financing Uses</b>	35,000	35,000	22,509	12,491
Net Change in Budgetary Fund Balance	(35,000)	(35,000)	(14,009)	20,991
Budgetary Fund Balance - Beginning of Year	81,250	81,250	81,250	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 46,250</b>	<b>\$ 46,250</b>	<b>\$ 67,241</b>	<b>\$ 20,991</b>

**District Managed Activity Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 300,000	\$ 300,000	\$ 316,194	\$ 16,194
<b>Expenditures and Other Financing Uses</b>	316,714	316,714	295,357	21,357
Net Change in Budgetary Fund Balance	(16,714)	(16,714)	20,837	37,551
Budgetary Fund Balance - Beginning of Year	25,525	25,525	25,525	-
Prior Year Encumbrances Appropriated	1,714	1,714	1,714	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 10,525</b>	<b>\$ 10,525</b>	<b>\$ 48,076</b>	<b>\$ 37,551</b>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Auxiliary Services Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 711,000	\$ 781,000	\$ 715,932	\$ (65,068)
<b>Expenditures and Other Financing Uses</b>	834,970	904,970	837,863	67,107
Net Change in Budgetary Fund Balance	(123,970)	(123,970)	(121,931)	2,039
Budgetary Fund Balance - Beginning of Year	34,293	34,293	34,293	-
Prior Year Encumbrances Appropriated	89,970	89,970	89,970	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 293</b>	<b>\$ 293</b>	<b>\$ 2,332</b>	<b>\$ 2,039</b>

**Public School Preschool Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 260,000	\$ 261,852	\$ 261,852	\$ -
<b>Expenditures and Other Financing Uses</b>	260,000	261,852	261,852	-
Net Change in Budgetary Fund Balance	-	-	-	-
Budgetary Fund Balance - Beginning of Year	-	-	-	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Miscellaneous State Grants Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 29,425	\$ 49,425	\$ 29,425	\$ (20,000)
<b>Expenditures and Other Financing Uses</b>	29,425	49,425	29,328	20,097
Net Change in Budgetary Fund Balance	-	-	97	97
Budgetary Fund Balance - Beginning of Year	-	-	-	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 97</b>	<b>\$ 97</b>

**IDEA, Part B Special Education, Education of Handicapped Children Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 1,660,000	\$ 1,835,000	\$ 1,527,113	\$ (307,887)
<b>Expenditures and Other Financing Uses</b>	1,695,908	1,878,234	1,571,113	307,121
Net Change in Budgetary Fund Balance	(35,908)	(43,234)	(44,000)	(766)
Budgetary Fund Balance - Beginning of Year	23,092	23,092	23,092	-
Prior Year Encumbrances Appropriated	20,908	20,908	20,908	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 8,092</b>	<b>\$ 766</b>	<b>\$ -</b>	<b>\$ (766)</b>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Project Head Start Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues and Other Financing Sources</b>	\$ 175,000	\$ 195,726	\$ 167,189	\$ (28,537)
<b>Expenditures and Other Financing Uses</b>	<u>172,656</u>	<u>196,966</u>	<u>168,429</u>	<u>28,537</u>
Net Change in Budgetary Fund Balance	2,344	(1,240)	(1,240)	-
Budgetary Fund Balance - Beginning of Year	<u>1,240</u>	<u>1,240</u>	<u>1,240</u>	<u>-</u>
<b>Budgetary Fund Balance - End of Year</b>	<u>\$ 3,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Title III - Limited English Proficiency Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues and Other Financing Sources</b>	\$ 1	\$ 1	\$ -	\$ (1)
<b>Expenditures and Other Financing Uses</b>	<u>161</u>	<u>161</u>	<u>-</u>	<u>161</u>
Net Change in Budgetary Fund Balance	(160)	(160)	-	160
Budgetary Fund Balance - Beginning of Year	<u>160</u>	<u>160</u>	<u>160</u>	<u>-</u>
<b>Budgetary Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160</u>	<u>\$ 160</u>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual*

*(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Title I - Disadvantaged Children/Targeted Assistance Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 2,534,564	\$ 2,847,337	\$ 2,177,035	\$ (670,302)
<b>Expenditures and Other Financing Uses</b>	<u>2,301,850</u>	<u>2,885,510</u>	<u>2,207,870</u>	<u>677,640</u>
Net Change in Budgetary Fund Balance	232,714	(38,173)	(30,835)	7,338
Budgetary Fund Balance - Beginning of Year	40,687	40,687	40,687	-
Prior Year Encumbrances Appropriated	<u>2,486</u>	<u>2,486</u>	<u>2,486</u>	<u>-</u>
<b>Budgetary Fund Balance - End of Year</b>	<u>\$ 275,887</u>	<u>\$ 5,000</u>	<u>\$ 12,338</u>	<u>\$ 7,338</u>

**IDEA Preschool Grant for the Handicapped Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 56,715	\$ 61,715	\$ 39,274	\$ (22,441)
<b>Expenditures and Other Financing Uses</b>	<u>44,863</u>	<u>62,682</u>	<u>36,844</u>	<u>25,838</u>
Net Change in Budgetary Fund Balance	11,852	(967)	2,430	3,397
Budgetary Fund Balance - Beginning of Year	437	437	437	-
Prior Year Encumbrances Appropriated	<u>563</u>	<u>563</u>	<u>563</u>	<u>-</u>
<b>Budgetary Fund Balance - End of Year</b>	<u>\$ 12,852</u>	<u>\$ 33</u>	<u>\$ 3,430</u>	<u>\$ 3,397</u>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Improving Teacher Quality Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues and Other Financing Sources</b>	\$ 318,589	\$ 376,930	\$ 295,583	\$ (81,347)
<b>Expenditures and Other Financing Uses</b>	316,077	391,339	316,048	75,291
Net Change in Budgetary Fund Balance	2,512	(14,409)	(20,465)	(6,056)
Budgetary Fund Balance - Beginning of Year	2,321	2,321	2,321	-
Prior Year Encumbrances Appropriated	12,088	12,088	12,088	-
<b>Budgetary Fund Balance - End of Year</b>	<u>\$ 16,921</u>	<u>\$ -</u>	<u>\$ (6,056)</u>	<u>\$ (6,056)</u>

**Miscellaneous Federal Grants Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues and Other Financing Sources</b>	\$ 180,000	\$ 198,712	\$ 83,206	\$ (115,506)
<b>Expenditures and Other Financing Uses</b>	172,879	200,087	112,995	87,092
Net Change in Budgetary Fund Balance	7,121	(1,375)	(29,789)	(28,414)
Budgetary Fund Balance - Beginning of Year	1,121	1,121	1,121	-
Prior Year Encumbrances Appropriated	379	379	379	-
<b>Budgetary Fund Balance - End of Year</b>	<u>\$ 8,621</u>	<u>\$ 125</u>	<u>\$ (28,289)</u>	<u>\$ (28,414)</u>

**Euclid City School District**

*Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2019  
(continued)*

**Permanent Improvement Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 1,402,864	\$ 1,376,952	\$ 1,704,453	\$ 327,501
<b>Expenditures and Other Financing Uses</b>	903,015	938,015	900,854	37,161
Net Change in Budgetary Fund Balance	499,849	438,937	803,599	364,662
Budgetary Fund Balance - Beginning of Year	1,487,890	1,487,890	1,487,890	-
Prior Year Encumbrances Appropriated	3,015	3,015	3,015	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 1,990,754</b>	<b>\$ 1,929,842</b>	<b>\$ 2,294,504</b>	<b>\$ 364,662</b>

**Replacement Fund**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues and Other Financing Sources</b>	\$ 25,000	\$ 25,000	\$ 26,383	\$ 1,383
<b>Expenditures and Other Financing Uses</b>	30,000	65,000	39,878	25,122
Net Change in Budgetary Fund Balance	(5,000)	(40,000)	(13,495)	26,505
Budgetary Fund Balance - Beginning of Year	47,052	47,052	47,052	-
<b>Budgetary Fund Balance - End of Year</b>	<b>\$ 42,052</b>	<b>\$ 7,052</b>	<b>\$ 33,557</b>	<b>\$ 26,505</b>

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STATISTICAL SECTION

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# Euclid City School District

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	<b>S2 – S15</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue sources and property taxes.	<b>S16 – S22</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S23 – S27</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	<b>S28 – S29</b>
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>S30 – S41</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the basic financial statements for the relevant year.

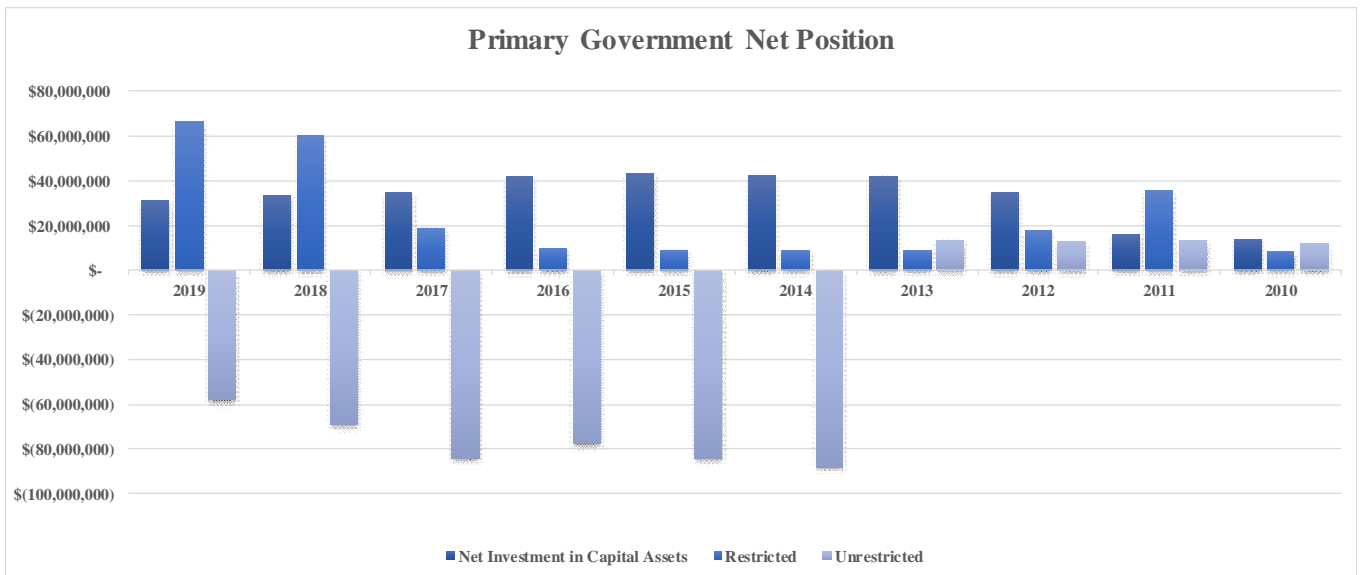
## Euclid City School District

### *Net Position by Component Accrual Basis of Accounting Last Ten Fiscal Years*

	2019	2018 (a)	2017	2016
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 30,374,205	\$ 33,107,881	\$ 34,024,515	\$ 41,596,409
Restricted for:				
Capital Projects	52,360,956	48,235,096	6,548,027	3,248,866
Debt Service	11,482,116	9,915,190	10,369,751	4,171,701
State Funded Programs	50,894	86,113	51,961	128,115
Federally Funded Programs	-	-	-	522
Classroom Facilities Maintenance	1,931,177	1,626,588	1,329,315	1,300,962
Student Activities	28,632	22,179	1,412	20,254
Set-Asides	476,511	476,511	476,511	476,511
Other Purposes	98,585	110,382	22,673	49,315
Unrestricted	<u>(57,221,491)</u>	<u>(68,103,948)</u>	<u>(83,784,735)</u>	<u>(76,853,896)</u>
<i>Total Governmental Activities Net Position</i>	<u>39,581,585</u>	<u>25,475,992</u>	<u>(30,960,570)</u>	<u>(25,861,241)</u>
<b>Business-Type Activities:</b>				
Investment in Capital Assets	366,434	410,648	456,179	492,400
Unrestricted	<u>(600,106)</u>	<u>(802,442)</u>	<u>(489,485)</u>	<u>(705,056)</u>
<i>Total Business-Type Activities Net Position</i>	<u>(233,672)</u>	<u>(391,794)</u>	<u>(33,306)</u>	<u>(212,656)</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	30,740,639	33,518,529	34,480,694	42,088,809
Restricted	66,428,871	60,472,059	18,799,650	9,396,246
Unrestricted	<u>(57,821,597)</u>	<u>(68,906,390)</u>	<u>(84,274,220)</u>	<u>(77,558,952)</u>
<i>Total Primary Government Net Position</i>	<u>\$ 39,347,913</u>	<u>\$ 25,084,198</u>	<u>\$ (30,993,876)</u>	<u>\$ (26,073,897)</u>

**Notes:**

- (a) GASB Statement No. 75 was implemented in fiscal year 2018 and does not impact net position prior to fiscal year 2017.
- (b) GASB Statement No. 68 was implemented in fiscal year 2015 and does not impact net position prior to fiscal year 2014.
- (c) Fiscal year 2011 was the first year the School District segregated the Restricted Net Position category into further detail.



2015	2014 (b)	2013	Restated 2012	2011 (c)	2010
\$ 42,541,087	\$ 41,760,027	\$ 41,111,623	\$ 34,828,640	\$ 15,581,829	\$ 13,871,714
3,378,610	2,894,337	3,727,932	11,015,476	28,017,046	1,481,374
3,724,728	4,058,201	4,100,012	4,489,558	5,388,022	5,296,865
70,870	70,898	118,094	120,815	79,387	-
30,364	52,778	104,230	309,479	865,853	-
1,305,850	1,212,917	709,189	479,898	170,299	-
15,674	16,753	44,431	51,048	49,413	-
476,511	476,511	476,511	1,276,135	1,276,135	1,276,135
50,654	82,342	51,016	18,848	38,192	613,840
<u>(83,010,869)</u>	<u>(86,523,887)</u>	<u>12,756,464</u>	<u>12,361,747</u>	<u>12,740,486</u>	<u>11,634,334</u>
<u>(31,416,521)</u>	<u>(35,899,123)</u>	<u>63,199,502</u>	<u>64,951,644</u>	<u>64,206,662</u>	<u>34,174,262</u>
539,565	586,730	636,854	42,001	75,001	108,001
<u>(1,111,155)</u>	<u>(1,360,863)</u>	<u>500,877</u>	<u>535,855</u>	<u>441,422</u>	<u>506,454</u>
<u>(571,590)</u>	<u>(774,133)</u>	<u>1,137,731</u>	<u>577,856</u>	<u>516,423</u>	<u>614,455</u>
43,080,652	42,346,757	41,748,477	34,870,641	15,656,830	13,979,715
9,053,261	8,864,737	9,331,415	17,761,257	35,884,347	8,668,214
<u>(84,122,024)</u>	<u>(87,884,750)</u>	<u>13,257,341</u>	<u>12,897,602</u>	<u>13,181,908</u>	<u>12,140,788</u>
<u>\$ (31,988,111)</u>	<u>\$ (36,673,256)</u>	<u>\$ 64,337,233</u>	<u>\$ 65,529,500</u>	<u>\$ 64,723,085</u>	<u>\$ 34,788,717</u>

## Euclid City School District

### *Changes in Net Position Accrual Basis of Accounting Last Ten Fiscal Years*

	2019	2018	2017
<b><u>Expenses</u></b>			
<b><i>Governmental Activities:</i></b>			
Instruction:			
Regular	\$ 24,733,896	\$ 10,938,077	\$ 32,069,104
Special	17,003,235	10,603,372	16,836,666
Vocational	1,554,730	758,961	1,318,036
Adult/Continuing	-	-	-
Other	41,842	12,533	82,655
Supporting Services:			
Pupils	6,010,772	3,549,229	7,643,438
Instructional Staff	1,763,247	476,684	4,491,916
Board of Education	67,362	43,582	57,230
Administration	3,451,738	(408,856)	5,709,198
Fiscal Services	2,354,471	2,358,695	2,343,510
Business	996,073	354,973	651,351
Operation and Maintenance of Plant Services	5,773,796	5,610,895	6,902,331
Pupil Transportation	6,736,190	6,595,739	5,628,883
Central	2,594,281	1,432,485	1,820,383
Operation of Non-Instructional Services	1,063,305	681,298	1,101,236
Extracurricular Activities	1,143,895	763,900	1,243,801
Interest and Fiscal Charges	5,241,993	5,247,002	3,236,870
	<b>Total Governmental Activities Expenses</b>	<b>49,018,569</b>	<b>91,136,608</b>
	<b>80,530,826</b>	<b>49,018,569</b>	<b>91,136,608</b>
<b><i>Business-Type Activities:</i></b>			
Food Services	2,690,932	2,314,866	2,465,772
Uniform School Supplies	-	-	-
Customer Services	26,892	26,710	38,894
	<b>Total Business-Type Activities Expenses</b>	<b>2,341,576</b>	<b>2,504,666</b>
	<b>2,717,824</b>	<b>2,341,576</b>	<b>2,504,666</b>
	<b>Total Primary Government Expenses</b>	<b>\$ 51,360,145</b>	<b>\$ 93,641,274</b>
	<b>\$ 83,248,650</b>	<b>\$ 51,360,145</b>	<b>\$ 93,641,274</b>
<b><u>Program Revenues</u></b>			
<b><i>Governmental Activities:</i></b>			
<b><u>Charges for Services:</u></b>			
Instruction:			
Regular	\$ 1,238,822	\$ 999,022	\$ 285,036
Special	-	-	525,533
Vocational	-	-	78,080
Other	-	-	-
Supporting Services:			
Administration	-	-	-
Fiscal Services	65,963	-	-
Operation and Maintenance of Plant Services	84,727	70,930	53,607
Pupil Transportation	30,474	39,554	20,861
Central	5,903	-	-
Operation of Non-Instructional Services	-	-	-
Extracurricular Activities	226,475	223,654	215,743
Total Charges for Services	<b>1,652,364</b>	<b>1,333,160</b>	<b>1,178,860</b>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 29,249,527	\$ 26,929,027	\$ 28,523,851	\$ 25,854,329	\$ 25,842,967	\$ 29,400,824	\$ 29,897,814
16,933,301	17,498,876	16,727,493	15,998,660	15,583,365	15,850,323	16,347,412
1,149,487	1,116,634	1,188,650	1,123,135	1,311,831	1,113,993	1,236,761
-	-	4,812	127,155	152,170	151,581	153,632
54,538	24,478	35,288	24,037	12,978	61,117	253,532
6,650,201	6,394,045	6,303,209	4,391,061	4,493,068	4,659,136	4,541,877
5,135,370	3,058,516	2,985,751	5,383,985	5,288,715	6,802,144	5,846,569
87,800	57,323	126,078	96,477	205,005	51,915	61,406
5,127,739	5,178,735	5,394,761	4,745,436	4,779,028	5,285,593	5,245,661
2,076,228	1,965,151	1,973,807	2,009,442	1,904,032	1,996,702	1,977,032
798,618	640,879	734,019	594,531	616,646	674,104	814,625
6,619,964	6,977,602	7,103,981	6,930,699	7,099,301	7,749,641	8,052,726
5,592,852	4,654,039	4,735,717	4,519,965	4,851,679	5,057,123	4,584,065
1,723,622	1,649,986	1,912,031	1,710,140	1,637,045	1,812,798	1,633,202
319,432	786,421	1,280,188	879,096	815,280	1,076,841	982,236
1,274,511	1,100,794	1,124,057	1,025,761	1,099,543	1,114,355	1,116,742
1,207,684	1,597,092	1,926,077	1,959,815	2,045,555	2,101,947	875,110
<u>84,000,874</u>	<u>79,629,598</u>	<u>82,079,770</u>	<u>77,373,724</u>	<u>77,738,208</u>	<u>84,960,137</u>	<u>83,620,402</u>
2,477,170	2,424,539	2,419,472	2,401,155	2,396,687	2,505,439	2,619,356
-	-	-	2,683	6,424	17,820	12,816
26,666	8,647	89,468	571,772	601,315	723,755	811,241
<u>2,503,836</u>	<u>2,433,186</u>	<u>2,508,940</u>	<u>2,975,610</u>	<u>3,004,426</u>	<u>3,247,014</u>	<u>3,443,413</u>
<u>\$ 86,504,710</u>	<u>\$ 82,062,784</u>	<u>\$ 84,588,710</u>	<u>\$ 80,349,334</u>	<u>\$ 80,742,634</u>	<u>\$ 88,207,151</u>	<u>\$ 87,063,815</u>
\$ 691,573	\$ 554,222	\$ 222,585	\$ 181,918	\$ 170,638	\$ 607,576	\$ 444,689
-	-	-	2,021	13,335	206	900
60,436	44,771	94,668	29,680	36,895	-	-
-	-	-	-	-	27	-
-	-	-	3,893	15,852	1,194	67,504
-	-	-	-	-	-	-
46,268	20,515	26,185	21,223	22,953	32,201	58,044
18,354	8,981	31,238	35,942	48,858	108,075	90,493
-	-	13,500	13,500	-	-	-
30,697	640,647	-	-	-	-	-
245,638	259,727	300,623	321,935	290,917	286,626	256,706
<u>1,092,966</u>	<u>1,528,863</u>	<u>688,799</u>	<u>610,112</u>	<u>599,448</u>	<u>1,035,905</u>	<u>918,336</u>

(continued)

## Euclid City School District

### Changes in Net Position (continued) Accrual Basis of Accounting Last Ten Fiscal Years

	2019	2018	2017
<b><u>Program Revenues</u></b> (Continued)			
<b><i>Governmental Activities:</i></b>			
<u>Operating Grants and Contributions:</u>			
Instruction:			
Regular	610,180	819,460	544,446
Special	7,049,117	7,245,986	4,062,855
Vocational	407,843	439,949	404,019
Adult/Continuing	-	-	-
Other	-	-	-
Supporting Services:			
Pupils	431,743	406,486	352,909
Instructional Staff	689,889	714,847	2,276,939
Administration	154,618	156,425	169,188
Fiscal Services	37,741	2,552	65,101
Operation and Maintenance of Plant Services	336,401	291,859	139,479
Pupil Transportation	-	-	-
Central	14,910	-	-
Operation of Non-Instructional Services	967,899	836,386	855,251
Extracurricular Activities	31,242	68,481	23,134
Interest and Fiscal Charges	-	-	-
Total Operating Grants and Contributions	10,731,583	10,982,431	8,893,321
<u>Capital Grants and Contributions:</u>			
Supporting Services:			
Operation and Maintenance of Plant Services	201,200	-	3,246
Operation of Non-Instructional Services	-	-	-
Total Capital Grants and Contributions	201,200	-	3,246
<i>Total Governmental Activities Program Revenues</i>	12,585,147	12,315,591	10,075,427
<b><i>Business-Type Activities:</i></b>			
<u>Charges for Services:</u>			
Food Services	123,446	100,909	251,985
Customer Services	14,165	10,820	14,662
Total Charges for Services	137,611	111,729	266,647
<u>Operating Grants and Contributions:</u>			
Food Services	2,660,341	2,569,016	2,341,468
Customer Services	7,103	5,017	9,985
Total Operating Grants and Contributions	2,667,444	2,574,033	2,351,453
<i>Total Business-Type Activities Program Revenues</i>	2,805,055	2,685,762	2,618,100
<i>Total Primary Government Program Revenues</i>	\$ 15,390,202	\$ 15,001,353	\$ 12,693,527



<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
387,142	5,522,025	710,530	1,077,988	1,670,385	3,185,877	1,761,177
6,734,863	1,122,325	3,572,438	2,552,767	1,969,358	2,614,230	2,350,193
-	-	-	-	-	-	-
-	-	3,650	131,775	123,152	163,454	158,140
-	-	-	-	14,330	34,393	-
264,143	216,577	263,801	32,414	277,844	468,255	259,458
2,029,538	917,025	982,949	1,426,712	1,363,661	2,557,680	2,630,560
136,207	144,714	158,991	140,866	41,612	316,433	354,798
31,707	68,825	36,255	203,962	1,068	100,187	139,201
577	2,371	872	19,119	29,520	22,783	-
-	-	-	42,147	42,147	10,536	7,297
4,670	-	-	-	-	10,804	11,272
743,723	140,118	806,356	850,739	858,507	1,030,091	989,805
40,672	6,336	-	-	-	-	-
-	-	429,587	-	-	402,559	-
<u>10,373,242</u>	<u>8,140,316</u>	<u>6,965,429</u>	<u>6,478,489</u>	<u>6,391,584</u>	<u>10,917,282</u>	<u>8,661,901</u>
-	-	1,544,867	-	-	-	-
-	-	4,105	-	-	-	-
-	-	1,548,972	-	-	-	-
<u>11,466,208</u>	<u>9,669,179</u>	<u>9,203,200</u>	<u>7,088,601</u>	<u>6,991,032</u>	<u>11,953,187</u>	<u>9,580,237</u>
302,856	315,018	317,284	324,234	391,017	432,577	474,817
7,885	15,470	44,222	554,770	598,559	656,707	684,603
<u>310,741</u>	<u>330,488</u>	<u>361,506</u>	<u>879,004</u>	<u>989,576</u>	<u>1,089,284</u>	<u>1,159,420</u>
2,453,208	2,305,419	2,224,500	1,987,086	2,066,628	2,026,857	2,066,280
-	-	73,096	-	-	-	28,441
<u>2,453,208</u>	<u>2,305,419</u>	<u>2,297,596</u>	<u>1,987,086</u>	<u>2,066,628</u>	<u>2,026,857</u>	<u>2,094,721</u>
2,763,949	2,635,907	2,659,102	2,866,090	3,056,204	3,116,141	3,254,141
<u>\$ 14,230,157</u>	<u>\$ 12,305,086</u>	<u>\$ 11,862,302</u>	<u>\$ 9,954,691</u>	<u>\$ 10,047,236</u>	<u>\$ 15,069,328</u>	<u>\$ 12,834,378</u>

(continued)

## Euclid City School District

### Changes in Net Position (continued) Accrual Basis of Accounting Last Ten Fiscal Years

	2019	2018	2017
<b><u>Net (Expense)/Revenue</u></b>			
<i>Governmental Activities</i>	\$ (67,945,679)	\$ (36,702,978)	\$ (81,061,181)
<i>Business-Type Activities</i>	87,231	344,186	113,434
<i>Total Primary Government Net Expense</i>	\$ (67,858,448)	\$ (36,358,792)	\$ (80,947,747)
<b><u>General Revenues and Transfers</u></b>			
<i>Governmental Activities:</i>			
Property Taxes levied for:			
General Purposes	\$ 34,428,120	\$ 35,958,093	\$ 31,784,803
Debt Service Purpose	8,277,877	6,690,354	6,321,624
Capital Outlay	566,482	447,801	291,078
Other Purposes	248,518	243,813	238,984
Income Taxes levied for:			
General Purposes	5,751,255	6,082,699	6,196,339
Payments in Lieu of Taxes	72,241	80,482	60,570
Grants & Entitlements not restricted to specific programs	29,163,174	27,413,022	29,000,344
Earnings on Investments	2,994,429	1,246,189	788,762
Gain (Loss) on Sale of Capital Assets	460,985	10,377	36,162
Miscellaneous Revenues	88,191	1,072,115	1,244,300
Grant from School Facilities Commission	-	39,891,191	-
<b>Transfers</b>	-	-	(1,114)
<i>Total Governmental Activities General Revenues and Transfers</i>	82,051,272	119,136,136	75,961,852
<i>Business-Type Activities:</i>			
Earnings on Investments	33,346	18,497	27,135
Miscellaneous Revenues	37,545	42,324	37,667
<b>Transfers</b>	-	-	1,114
<i>Total Business-Type Activities General Revenues and Transfers</i>	70,891	60,821	65,916
<i>Total Primary Government General Revenues and Transfers</i>	\$ 82,122,163	\$ 119,196,957	\$ 76,027,768
<b><u>Change in Net Position</u></b>			
<i>Governmental Activities</i>	\$ 14,105,593	\$ 82,433,158	\$ (5,099,329)
<i>Business-Type Activities</i>	158,122	405,007	179,350
<i>Total Primary Government Change in Net Position</i>	\$ 14,263,715	\$ 82,838,165	\$ (4,919,979)

2016	2015	2014	2013	2012	2011	2010
\$ (72,534,666)	\$ (69,960,419)	\$ (72,876,570)	\$ (70,285,123)	\$ (70,747,176)	\$ (73,006,950)	\$ (74,040,165)
260,113	202,721	150,162	(109,520)	51,778	(130,873)	(189,272)
<u>\$ (72,274,553)</u>	<u>\$ (69,757,698)</u>	<u>\$ (72,726,408)</u>	<u>\$ (70,394,643)</u>	<u>\$ (70,695,398)</u>	<u>\$ (73,137,823)</u>	<u>\$ (74,229,437)</u>
\$ 39,828,646	\$ 36,127,360	\$ 39,219,098	\$ 31,667,892	\$ 31,759,316	\$ 35,812,723	\$ 34,566,784
2,935,859	2,870,466	3,615,611	2,797,652	3,297,770	4,712,476	4,709,405
574,104	646,499	393,418	259,797	785,137	847,060	758,942
242,900	120,284	-	-	-	-	-
6,098,827	6,189,984	6,081,191	6,115,885	5,885,496	5,530,287	5,232,280
64,303	87,391	31,043	39,723	109,124	63,096	58,214
27,273,643	26,960,587	28,203,345	27,282,085	29,756,947	30,853,230	31,539,926
257,872	237,835	16,217	78,912	46,868	384,997	244,143
138,545	15,564	10,287	-	-	-	-
675,247	1,147,036	719,328	925,533	70,918	99,798	65,583
-	-	-	-	-	24,735,683	-
-	40,015	(57,048)	(634,498)	-	-	(12,000)
<u>78,089,946</u>	<u>74,443,021</u>	<u>78,232,490</u>	<u>68,532,981</u>	<u>71,711,576</u>	<u>103,039,350</u>	<u>77,163,277</u>
18,982	15,729	768	1	35	100	222
79,839	24,108	34,155	34,896	9,620	32,741	26,607
-	(40,015)	57,048	634,498	-	-	12,000
<u>98,821</u>	<u>(178)</u>	<u>91,971</u>	<u>669,395</u>	<u>9,655</u>	<u>32,841</u>	<u>38,829</u>
<u>\$ 78,188,767</u>	<u>\$ 74,442,843</u>	<u>\$ 78,324,461</u>	<u>\$ 69,202,376</u>	<u>\$ 71,721,231</u>	<u>\$ 103,072,191</u>	<u>\$ 77,202,106</u>
\$ 5,555,280	\$ 4,482,602	\$ 5,355,920	\$ (1,752,142)	\$ 964,400	\$ 30,032,400	\$ 3,123,112
358,934	202,543	242,133	559,875	61,433	(98,032)	(150,443)
<u>\$ 5,914,214</u>	<u>\$ 4,685,145</u>	<u>\$ 5,598,053</u>	<u>\$ (1,192,267)</u>	<u>\$ 1,025,833</u>	<u>\$ 29,934,368</u>	<u>\$ 2,972,669</u>

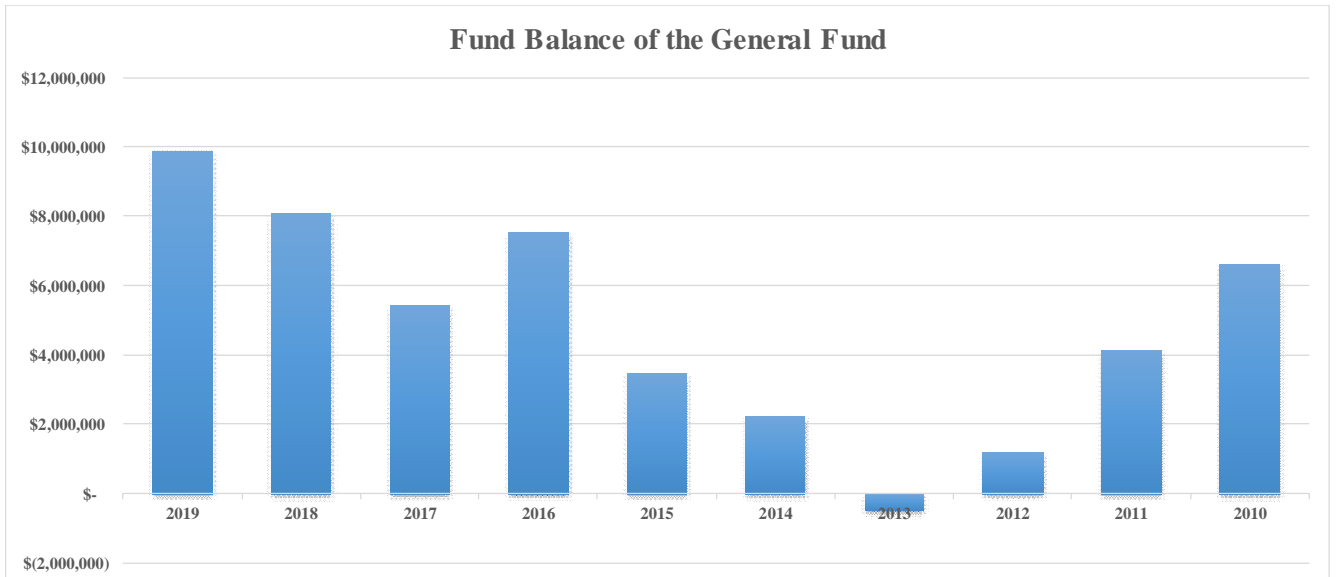
## Euclid City School District

### *Fund Balances – Governmental Funds Modified Accrual Basis of Accounting Last Ten Fiscal Years*

	2019	2018	2017	2016
<b>General Fund</b>				
Nonspendable	\$ 119,921	\$ 136,636	\$ 122,427	\$ 16,265
Committed	66,147	80,159	37,004	64,865
Assigned	4,300,326	5,439,287	1,642,670	1,499,825
Unassigned	5,394,941	2,414,434	3,603,226	5,971,568
<i>Total General Fund</i>	<u>9,881,335</u>	<u>8,070,516</u>	<u>5,405,327</u>	<u>7,552,523</u>
<b>All Other Governmental Funds</b>				
Nonspendable	65,104	68,947	72,790	-
Restricted	72,044,862	100,991,652	108,779,397	8,138,370
Committed	21,668	23,472	21,903	48,545
Assigned	31,830	37,052	46,318	51,997
Unassigned	(566,463)	(646,324)	(657,709)	(634,311)
<i>Total All Other Governmental Funds</i>	<u>71,597,001</u>	<u>100,474,799</u>	<u>108,262,699</u>	<u>7,604,601</u>
<i>Total Governmental Funds</i>	<u>\$ 81,478,336</u>	<u>\$ 108,545,315</u>	<u>\$ 113,668,026</u>	<u>\$ 15,157,124</u>

**Notes:**

- (a) In fiscal year 2011, the School District implemented GASB Statement No. 54. As a result, the fiscal year 2010 fund balances were reclassified to reflect the effects of this GASB Statement.



2015	2014	2013	2012	2011 (a)	2010
\$ 59,505	\$ 41,928	\$ 107,155	\$ 216,488	\$ 201,638	\$ 183,737
97,787	121,624	186,738	247,764	213,035	186,364
1,349,137	1,819,507	57,715	48,109	1,554,510	637,786
1,980,011	243,790	(865,885)	688,774	2,143,706	5,597,024
<u>3,486,440</u>	<u>2,226,849</u>	<u>(514,277)</u>	<u>1,201,135</u>	<u>4,112,889</u>	<u>6,604,911</u>
2,488	-	-	165,734	6,295	3,447
8,127,604	7,897,855	8,613,858	19,376,202	46,655,335	45,354,275
46,689	81,741	50,415	18,848	38,192	39,528
47,904	56,684	101,143	143,947	157,396	157,206
(310,841)	(335,919)	(344,294)	(579,057)	(60,317)	(299,932)
<u>7,913,844</u>	<u>7,700,361</u>	<u>8,421,122</u>	<u>19,125,674</u>	<u>46,796,901</u>	<u>45,254,524</u>
<u>\$ 11,400,284</u>	<u>\$ 9,927,210</u>	<u>\$ 7,906,845</u>	<u>\$ 20,326,809</u>	<u>\$ 50,909,790</u>	<u>\$ 51,859,435</u>

## Euclid City School District

### *Changes in Fund Balances – Governmental Funds Modified Accrual Basis of Accounting Last Ten Fiscal Years*

	2019	2018	2017	2016 (a)
<b>Revenues:</b>				
Taxes:				
Property	\$ 44,320,076	\$ 44,274,980	\$ 37,618,064	\$ 43,312,812
Income	5,751,255	6,082,699	6,196,339	6,098,827
Other Local	-	4,764	-	-
Tuition	1,293,734	877,272	664,771	769,567
Transportation Fees	30,474	39,554	20,861	23,726
Earning on Investments	2,912,749	1,131,945	782,873	254,928
Extracurricular Activities	197,469	217,174	204,856	236,876
Classroom Materials and Fees	22,649	16,184	4,980	-
Rentals	131,696	116,290	96,480	59,207
Contributions and Donations from Private Sources	298,060	104,154	75,633	77,775
Miscellaneous Revenues	925,289	1,331,411	1,256,081	706,749
Revenues from State Sources:				
Unrestricted Grants-in-Aid	29,163,174	27,413,022	29,000,344	27,133,666
Restricted Grants-in-Aid	12,292,068	12,615,561	4,110,466	4,905,594
Revenues from Federal Sources:				
Restricted Grants-in-Aid	4,780,839	4,493,796	4,416,604	5,321,408
<i>Total Revenues</i>	<u>102,119,532</u>	<u>98,718,806</u>	<u>84,448,352</u>	<u>88,901,135</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	27,024,999	27,156,769	27,256,698	27,228,762
Special	19,052,141	18,162,526	15,881,926	16,767,336
Vocational	1,753,957	1,496,232	1,228,691	1,157,383
Adult/Continuing	-	-	-	-
Other	62,221	81,669	76,050	59,669
Supporting Services:				
Pupils	6,982,683	7,135,561	7,129,477	6,915,008
Instructional Staff	2,142,230	2,533,637	4,189,779	5,249,206
Board of Education	69,879	49,066	56,442	90,806
Administration	4,750,178	4,891,811	5,055,272	5,246,431
Fiscal Services	2,446,670	2,658,880	2,284,864	2,117,039
Business	1,097,442	478,452	632,012	820,220
Operation and Maintenance of Plant Services	6,508,391	6,286,906	6,690,618	6,878,075
Pupil Transportation	6,682,416	6,491,153	5,510,566	5,460,586
Central	2,607,871	1,586,302	1,823,839	1,923,743
Operation of Non-Instructional Services	1,113,005	910,771	1,007,464	797,570
Extracurricular Activities	1,274,543	1,203,848	1,184,021	1,325,338
Facilities Acquisition and Construction Services	39,105,030	15,738,944	2,585,522	366,013
Debt Service:				
Principal Retirements	1,893,154	2,315,816	2,023,782	2,026,820
Interest and Fiscal Charges	5,255,479	4,675,674	1,982,275	1,229,363
Debt Issuance Costs	-	-	-	-
Current Refunding Escrow	-	-	-	-
<i>Total Expenditures</i>	<u>129,822,289</u>	<u>103,854,017</u>	<u>86,599,298</u>	<u>85,659,368</u>
Excess (Deficiency) of Revenues over Expenditures	(27,702,757)	(5,135,211)	(2,150,946)	3,241,767

2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
45,594,004	47,893,467	42,972,228	41,440,312	45,534,100	43,239,001
497,350	146,448	102,590	53,523	461,653	151,078
12,869	55,705	37,963	60,399	122,415	77,086
237,835	16,217	78,912	46,868	356,411	244,143
254,664	269,970	321,935	279,206	272,073	270,111
16,433	81,095	109,008	71,143	-	158,150
-	-	-	-	-	-
29,705	6,186	-	-	-	-
1,189,401	819,430	631,335	209,515	178,534	325,677
36,008,756	37,092,322	34,447,396	54,862,293	46,584,339	40,202,883
-	-	-	-	-	-
-	-	-	-	-	-
<u>83,841,017</u>	<u>86,380,840</u>	<u>78,701,367</u>	<u>97,023,259</u>	<u>93,509,525</u>	<u>84,668,129</u>
25,903,122	26,439,013	25,608,051	26,326,656	29,859,520	29,885,006
17,867,257	16,909,700	16,450,165	15,887,529	16,149,784	16,395,284
1,147,905	1,206,645	1,218,513	1,306,183	1,122,036	1,246,927
-	5,939	127,089	152,783	151,728	153,457
30,059	39,672	30,310	21,130	78,515	284,979
6,585,363	6,415,143	4,563,083	4,586,780	4,780,133	4,541,962
3,095,997	3,016,902	5,457,395	5,421,105	6,810,183	5,861,131
58,054	127,451	100,594	206,835	54,028	63,380
5,427,357	5,470,888	4,947,608	4,980,072	5,348,000	5,298,161
1,987,183	1,973,807	2,009,442	1,904,032	1,996,702	1,977,032
649,972	734,904	597,727	615,421	702,247	815,927
7,121,668	7,154,741	7,049,166	7,215,368	7,841,111	7,965,117
4,486,912	4,579,601	4,389,554	4,700,253	4,919,999	4,384,344
1,619,354	1,778,690	1,634,949	1,477,379	1,672,025	1,616,552
813,878	1,271,702	890,386	828,156	1,095,179	988,144
1,124,764	1,130,805	1,039,052	1,107,903	1,126,356	1,124,735
77,853	1,299,506	10,660,001	49,365,433	5,345,016	1,281,198
2,938,200	2,369,228	2,425,900	3,162,454	3,629,300	2,479,100
1,432,347	2,389,377	2,015,581	2,511,336	1,783,315	435,817
256,338	-	-	25,342	-	467,442
181,196	-	-	-	-	-
<u>82,804,779</u>	<u>84,313,714</u>	<u>91,214,566</u>	<u>131,802,150</u>	<u>94,465,177</u>	<u>87,265,695</u>
1,036,238	2,067,126	(12,513,199)	(34,778,891)	(955,652)	(2,597,566)

(continued)

## Euclid City School District

### *Changes in Fund Balances – Governmental Funds (continued)* *Modified Accrual Basis of Accounting* *Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 (a)</u>
<b>Other Financing Sources (Uses):</b>				
Premium on the Sale of Bonds and Notes	-	-	6,113,620	-
Premium on the Sale of Refunded Bonds	-	-	-	-
Sale of Bonds	-	-	95,789,994	-
Sale of Refunded Bonds	-	-	-	-
Sale of Assets	635,778	10,377	36,162	138,545
Sale of Long-Term Tax Anticipation Notes	-	-	-	-
Inception of Capital Lease	-	-	-	352,718
Payment to Refunding Bond Escrow Agent	-	-	-	-
Discount on the Sale of Bonds	-	-	(1,276,814)	-
Transfers In	367,445	342,623	1,220,126	805,331
Transfers Out	<u>(367,445)</u>	<u>(340,500)</u>	<u>(1,221,240)</u>	<u>(781,521)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>635,778</u>	<u>12,500</u>	<u>100,661,848</u>	<u>515,073</u>
Net Change in Fund Balance	<u><u>\$ (27,066,979)</u></u>	<u><u>\$ (5,122,711)</u></u>	<u><u>\$ 98,510,902</u></u>	<u><u>\$ 3,756,840</u></u>
 <b>Debt Service as a percentage of Noncapital Expenditures</b>	 7.9%	 8.0%	 4.8%	 3.8%

**Notes:**

- (a) In fiscal year 2016, the School District provided further clarity within its tax revenue classification. This change will allow the user of the financial statements to gain a better understanding of the School District's various revenue sources.



2015	2014	2013	2012	2011	2010
-	-	-	-	-	467,442
939,647	-	-	-	-	-
-	-	-	-	-	40,299,828
21,399,996	-	-	-	-	-
15,564	10,287	103,235	10,910	6,007	12,037
-	-	-	4,185,000	-	-
-	-	-	-	-	-
(21,532,802)	-	-	-	-	-
(550,503)	-	-	-	-	-
1,269,364	250,169	1,338,749	421,689	304,732	368,252
<u>(1,104,430)</u>	<u>(307,217)</u>	<u>(1,348,749)</u>	<u>(421,689)</u>	<u>(304,732)</u>	<u>(380,252)</u>
<u>436,836</u>	<u>(46,761)</u>	<u>93,235</u>	<u>4,195,910</u>	<u>6,007</u>	<u>40,767,307</u>
<u>\$ 1,473,074</u>	<u>\$ 2,020,365</u>	<u>\$ (12,419,964)</u>	<u>\$ (30,582,981)</u>	<u>\$ (949,645)</u>	<u>\$ 38,169,741</u>
5.3%	5.7%	5.5%	6.9%	6.1%	3.4%

# Euclid City School District

## *Assessed and Estimated Actual Value of Taxable Property*

### *Last Ten Years*

Tax/ Collection Year	Real Property			Tangible Personal Property		
	Assessed Value			Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial	Total		Assessed Value	Estimated Actual Value
2018/2019	\$ 438,293,760	\$ 179,547,300	\$ 617,841,060	\$ 1,765,260,171	\$25,841,240	\$ 29,365,045
2017/2018	379,520,140	152,620,010	532,140,150	1,520,400,429	23,303,290	26,481,011
2016/2017	381,595,260	155,568,740	537,164,000	1,534,754,286	21,846,670	24,825,761
2015/2016	383,494,150	153,257,260	536,751,410	1,533,575,457	20,642,090	23,456,920
2014/2015	396,231,090	164,449,260	560,680,350	1,601,943,857	20,085,560	22,824,500
2013/2014	399,245,760	168,521,720	567,767,480	1,622,192,800	19,072,000	21,672,727
2012/2013	401,745,490	168,140,380	569,885,870	1,628,245,343	17,368,880	19,737,364
2011/2012	546,762,120	175,905,170	722,667,290	2,064,763,686	16,043,950	18,231,761
2010/2011	551,393,850	179,899,430	731,293,280	2,089,409,371	15,476,470	17,586,898
2009/2010	553,341,120	181,540,130	734,881,250	2,099,660,714	15,108,400	17,168,636

**Notes:**

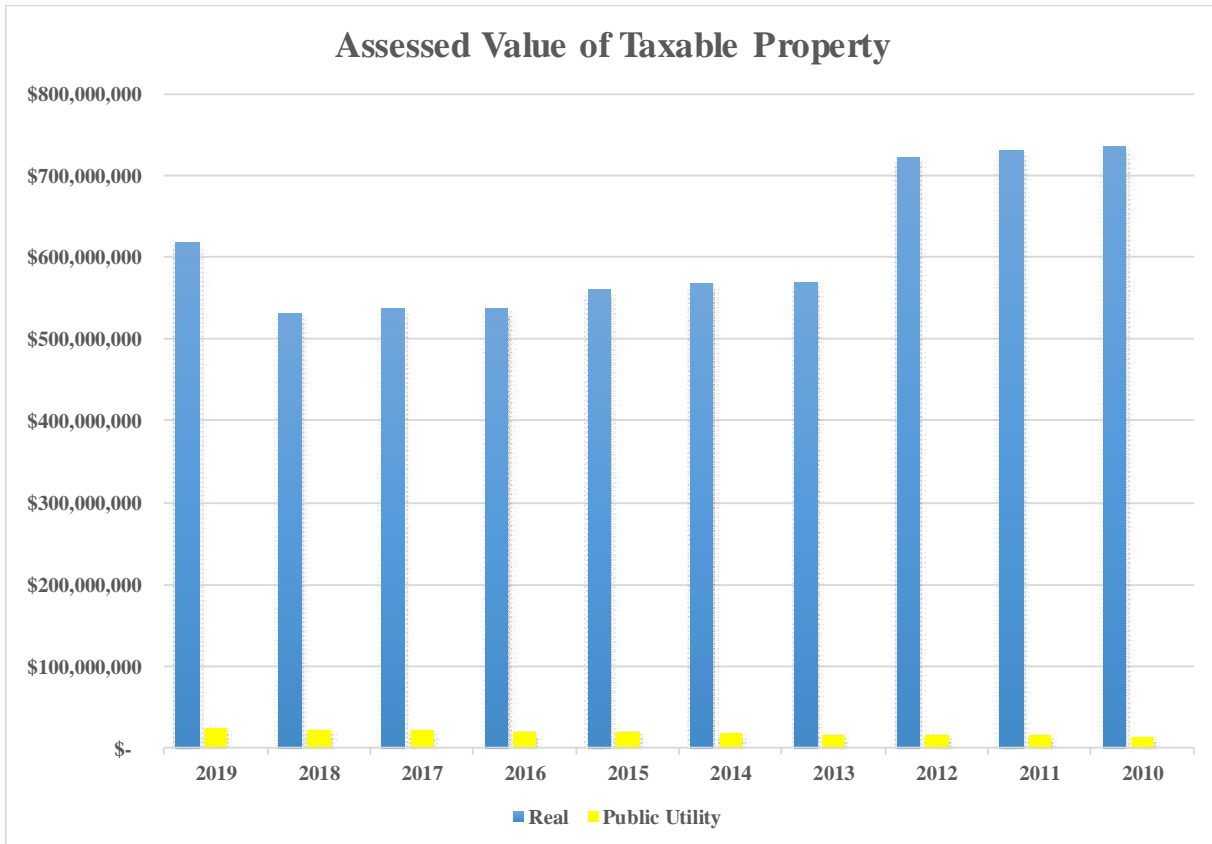
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. The assessed value of public utility personal property ranges from 25 percent of the actual value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax began phasing out in 2006 and was completely phased out in 2009.

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

**Source:** Office the Fiscal Officer, Cuyahoga County, Ohio

Total Taxable Property			
Assessed Value	Estimated Actual Value	Ratio	Direct Tax Rate
\$ 643,682,300	\$ 1,794,625,216	35.87%	\$ 98.82
555,443,440	1,546,881,440	35.91%	109.82
559,010,670	1,559,580,047	35.84%	110.92
557,393,500	1,557,032,377	35.80%	102.02
580,765,910	1,624,768,357	35.74%	101.60
586,839,480	1,643,865,527	35.70%	100.70
587,254,750	1,647,982,707	35.63%	98.40
738,711,240	2,082,995,447	35.46%	88.40
746,769,750	2,106,996,269	35.44%	89.80
749,989,650	2,116,829,350	35.43%	89.90



## Euclid City School District

### Property Tax Effective Rates – Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation) Last Ten Years

	Tax Year/ Collection Year 2018/2019	Tax Year/ Collection Year 2017/2018	Tax Year/ Collection Year 2016/2017	Tax Year/ Collection Year 2015/2016
<b>Euclid City School District</b>				
<b>Unvoted Millage</b>				
Operating	\$ 4.62	\$ 4.62	\$ 4.62	\$ 4.62
<b>Voted Millage by Levy (Effective Rates)</b>				
1976 Current Expense - continuing	8.968564	10.359008	10.301993	10.249081
1979 Current Expense - continuing	2.436324	2.814047	2.798559	2.784188
1985 Current Expense - continuing	5.149008	5.947296	5.914568	5.884200
1988 Current Expense - continuing	4.499848	5.197494	5.168893	5.142356
1992 Current Expense - continuing	6.356475	7.341967	7.301565	7.264080
1995 Bond/Library (\$5,000,000)	0.000000	0.000000	0.000000	0.000000
1999 Current Expense - continuing	5.973826	6.900000	6.900000	6.900000
2004 Permanent Improvement - continuing	2.164430	2.500000	2.500000	2.500000
2005 Current Expense - continuing	5.108054	5.900000	5.900000	5.900000
2008 Emergency (\$5,600,000)	0.000000	11.000000	11.500000	10.900000
2009 Bond (\$40,300,000)	4.500000	4.500000	4.600000	4.700000
2012 Emergency (\$5,400,000)	10.500000	10.500000	11.000000	10.500000
2016 Bond (\$96,300,000)	7.900000	7.900000	7.900000	0.000000
<b>Total Voted Millage</b>	<u>63.556529</u>	<u>80.859812</u>	<u>81.785578</u>	<u>72.723905</u>
<b>Total Millage - Euclid City School District</b>	68.176529	85.479812	86.405578	77.343905
<b>Overlapping Millage by Taxing Districts (Effective Rates)</b>				
Cuyahoga County	12.797318	13.914095	13.880201	13.869781
Euclid City	6.982292	7.463257	7.443535	7.425232
Cleveland Metro Parks	2.482653	2.718302	2.711249	2.711903
Euclid Library	4.848323	5.600000	5.600000	5.600000
Cuyahoga Community College	4.102322	4.456854	3.946094	3.942787
Cleveland -Cuyahoga Port Authority	0.102946	0.113078	0.112770	0.112676
<b>Total Millage - Overlapping Taxing Districts</b>	<u>31.315854</u>	<u>34.265586</u>	<u>33.693849</u>	<u>33.662379</u>
<b>Grand Total - All Direct and Overlapping Millages</b>	<u>\$ 99.492383</u>	<u>\$ 119.745398</u>	<u>\$ 120.099427</u>	<u>\$ 111.006284</u>

**Notes:**

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates for voted levies are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the School District.

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

<u>Tax Year/ Collection Year 2014/2015</u>	<u>Tax Year/ Collection Year 2013/2014</u>	<u>Tax Year/ Collection Year 2012/2013</u>	<u>Tax Year/ Collection Year 2011/2012</u>	<u>Tax Year/ Collection Year 2010/2011</u>	<u>Tax Year/ Collection Year 2009/2010</u>
\$ 4.62	\$ 4.62	\$ 4.62	\$ 4.62	\$ 4.62	\$ 4.62
9.916518	9.831543	9.769864	7.212455	7.158109	7.138102
2.693845	2.670761	2.654008	1.959281	1.944514	1.939080
5.693264	5.644480	5.609072	4.140816	4.109608	4.098120
4.975493	4.932858	4.901911	3.618767	3.591498	3.581458
7.028370	6.968145	6.924435	5.111865	5.073345	5.059162
0.180000	0.680000	0.680000	0.680000	2.580000	2.580000
6.900000	6.900000	6.900000	5.771505	5.728014	5.712006
2.500000	2.500000	2.500000	2.500000	2.488612	2.481657
5.900000	5.900000	5.900000	5.900000	5.873125	5.856711
10.600000	10.100000	9.100000	8.300000	8.300000	8.000000
4.700000	4.200000	3.700000	3.500000	3.000000	3.400000
10.200000	9.800000	9.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<u>71.287490</u>	<u>70.127787</u>	<u>67.639290</u>	<u>48.694689</u>	<u>49.846825</u>	<u>49.846296</u>
75.907490	74.747787	72.259290	53.314689	54.466825	54.466296
14.050000	14.050000	13.220000	13.118223	13.186617	13.178886
7.310196	7.280803	7.259468	6.374841	6.356042	6.857172
2.750000	2.750000	1.850000	1.818768	1.810574	1.806839
5.600000	4.000000	4.000000	4.000000	4.000000	3.474320
4.000000	3.100000	3.100000	3.082039	3.076462	2.597303
0.114311	0.113900	0.113492	0.103340	0.102853	0.102733
<u>33.824507</u>	<u>31.294703</u>	<u>29.542960</u>	<u>28.497211</u>	<u>28.532548</u>	<u>28.017253</u>
<u>\$ 109.731997</u>	<u>\$ 106.042490</u>	<u>\$ 101.802250</u>	<u>\$ 81.811900</u>	<u>\$ 82.999373</u>	<u>\$ 82.483549</u>

## Euclid City School District

### *Property Tax Levies and Collections*

#### *Last Ten Years*

Tax/ Collection Year (3)	Current Tax Levy (1)	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2018/2019	\$ 46,597,110	\$ 43,649,747	93.67%	\$ 3,580,308	\$ 47,230,055	101.36%
2017/2018	50,069,533	46,442,776	92.76%	3,304,934	49,747,710	99.36%
2016/2017	50,708,614	46,792,876	92.28%	2,644,093	49,436,969	97.49%
2015/2016	46,166,495	42,752,282	92.60%	3,136,660	45,888,942	99.40%
2014/2015	46,557,615	41,196,615	88.49%	2,645,887	43,842,502	94.17%
2013/2014	46,712,332	41,437,729	88.71%	2,875,448	44,313,177	94.86%
2012/2013	44,916,306	40,540,419	90.26%	2,575,333	43,115,752	95.99%
2011/2012	43,239,530	38,655,390	89.40%	2,892,542	41,547,932	96.09%
2010/2011	44,634,958	40,286,020	90.26%	2,511,413	42,797,433	95.88%
2009/2010	44,906,978	41,353,276	92.09%	3,309,735	44,663,011	99.46%

**Notes:**

- (1) - Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Revenues from State Sources: Unrestricted Grants-in-Aid.
- (2) - The County does not maintain delinquency information by tax year - see General Note below.
- (3) - The 2019 information cannot be presented because all collections have not been made by June 30, 2019.

**General Note:**

The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. This presentation will be updated as new information becomes available from the County.

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

## Euclid City School District

### Principal Taxpayers – Real Estate Tax

2019 and 2010

<b>2019</b>		
Name of Taxpayer	Assessed Value	Percent of Real Estate Assessed Value
Cleveland Electric Illuminating Co.	\$ 18,502,910	2.99 %
Euclid Indian Hills, LLC	13,310,060	2.15
Northpointe Towers, Ltd.	8,650,710	1.40
Harbor Crest, Ltd.	6,663,800	1.08
Euclid Leasing Housing Associates 1, Ltd.	6,373,590	1.03
Lincoln Electric Company	5,995,520	0.97
HBP Euclid I, LLC	5,585,260	0.90
American Transmission System	4,726,650	0.77
AE Owner, LLC	3,614,700	0.59
Normandy Towers East I & East II, LLC	3,141,300	0.51
Totals	\$ 76,564,500	12.39 %
Total Real Estate Tax Assessed Valuation	\$ 617,841,060	

<b>2010</b>		
Name of Taxpayer	Assessed Value	Percent of Real Estate Assessed Value
Cleveland Electric Illuminating Co.	\$ 12,691,180	1.73 %
Nierdest Indian Hills, LLC	11,822,510	1.61
Lincoln Electric Company	10,058,830	1.37
Northpointe Towers, Ltd.	6,685,000	0.91
Harbor Crest, Ltd.	5,510,970	0.75
Willo Arms Euclid, LLC	5,017,300	0.68
Horizon House, Ltd.	3,638,640	0.50
Depot Land Company, Ltd.	3,369,730	0.46
AE Portfolio, LLC	2,975,000	0.40
Normandy Towers East	2,664,210	0.36
Totals	\$ 64,433,370	8.77 %
Total Real Estate Tax Assessed Valuation	\$ 734,881,250	

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

**Euclid City School District**

*Principal Taxpayers – Public Utilities Tax*

2019 and 2010

Name of Taxpayer	2019	
	Assessed Value	Percent of Real Estate Assessed Value
Cleveland Electric Illuminating Co.	\$ 18,502,910	71.60 %
American Transmission System	4,726,650	18.29
East Ohio Gas Company	2,611,680	10.11
Norfolk Southern Combined	693,550	2.68
CSX Transportation, Inc.	51,650	0.20
Totals	<u>\$ 26,586,440</u>	<u>102.88 %</u>
Total Public Utilities Tax Assessed Valuation	<u>\$ 25,841,240</u>	

Name of Taxpayer	2010	
	Assessed Value	Percent of Real Estate Assessed Value
Cleveland Electric Illuminating Co.	\$ 12,691,180	84.00 %
East Ohio Gas Company	1,826,670	12.09
American Transmission System	967,270	6.40
Norfolk Southern	667,180	4.42
Ohio Bell	401,140	2.65
Totals	<u>\$ 16,553,440</u>	<u>109.56 %</u>
Total Public Utilities Tax Assessed Valuation	<u>\$ 15,108,400</u>	

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio



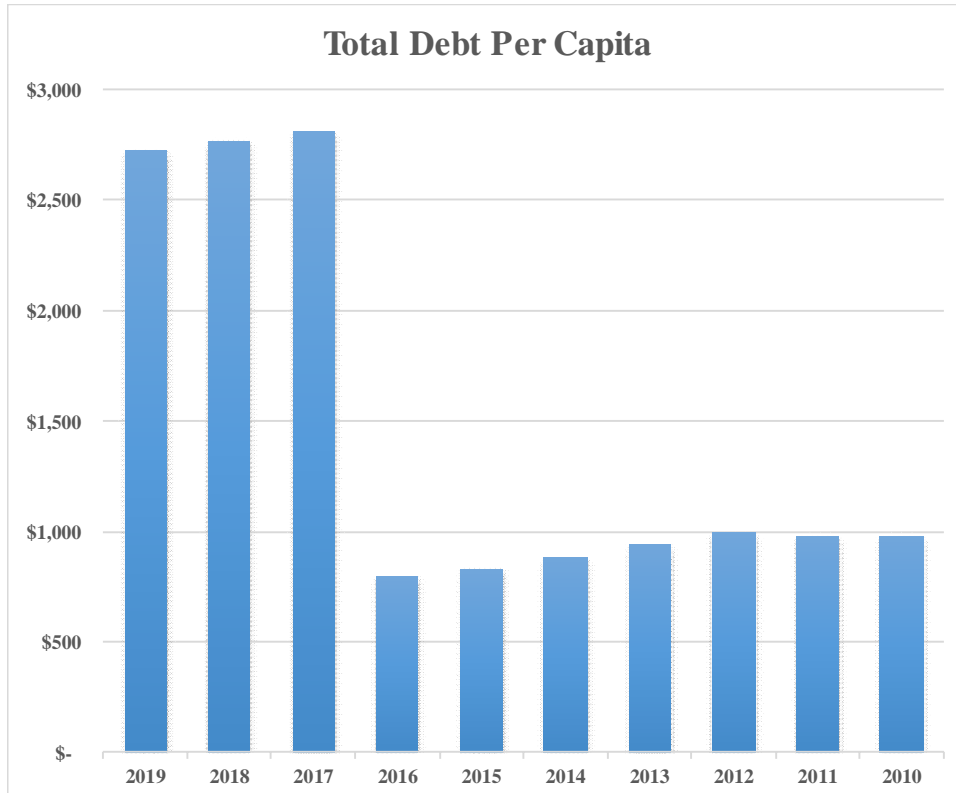
## Euclid City School District

### *Ratio of Outstanding Debt to Total Personal Income and Debt per Capita Last Ten Fiscal Years*

Fiscal Year	Governmental Activities			Total Outstanding Debt	Debt as a Percentage of Personal Income (2)	Debt Per Capita (2)
	General Obligation Bonds (1)	Tax Anticipation Notes	Capital Leases			
2019	\$ 131,236,643	\$ 1,830,000	\$ 82,246	\$ 133,148,889	12.76 %	\$ 2,722
2018	132,656,289	2,255,000	155,200	135,066,489	12.95	2,761
2017	134,540,459	2,665,000	225,416	137,430,875	13.17	2,809
2016	35,497,949	3,065,000	292,998	38,855,947	3.72	794
2015	37,111,992	3,450,000	-	40,561,992	3.89	829
2014	38,564,212	4,600,000	-	43,164,212	4.14	882
2013	40,280,699	5,710,000	-	45,990,699	4.41	940
2012	42,019,254	6,435,000	-	48,454,254	4.64	990
2011	45,068,947	2,950,000	-	48,018,947	4.60	982
2010	48,004,937	3,615,000	-	51,619,937	4.98	979

**Notes:**

- (1) The general obligation bonds are net of related unamortized premiums, discounts and adjustments.
- (2) The personal income and population data are presented on page S28.



## Euclid City School District

### *Ratio of Net General Obligation Bonded Debt To Estimated Actual Value and Net Bonded Debt Per Capita Last Ten Fiscal Years*

Fiscal Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross General Bonded Debt	Accumulated Resources Restricted for Repayment	Net General Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Value of Taxable Property		Net General Bonded Debt Per Capita
2019	48,920	(a)	\$ 1,794,625,216	\$ 133,066,643	\$ (11,482,116)	\$ 121,584,527	6.77	%	\$ 2,485
2018	48,920	(a)	1,546,881,440	134,911,289	(11,198,425)	123,712,864	8.00		2,529
2017	48,920	(a)	1,559,580,047	137,205,459	(10,816,172)	126,389,287	8.10		2,584
2016	48,920	(a)	1,557,032,377	38,562,949	(4,171,701)	34,391,248	2.21		703
2015	48,920	(a)	1,624,768,357	40,561,992	(3,724,728)	36,837,264	2.27		753
2014	48,920	(a)	1,643,865,527	43,164,212	(4,058,201)	39,106,011	2.38		799
2013	48,920	(a)	1,647,982,707	45,990,699	(4,100,012)	41,890,687	2.54		856
2012	48,920	(a)	2,082,995,447	48,454,254	(4,708,976)	43,745,278	2.10		894
2011	48,920	(a)	2,106,996,269	48,018,947	(5,388,022)	42,630,925	2.02		871
2010	52,717	(b)	2,116,829,350	51,619,937	(5,296,865)	46,323,072	2.19		879

**Sources:**

- (1) U.S. Bureau of Census, Census of Population:
  - (a) 2010 Federal Census
  - (b) 2000 Federal Census
- (2) Office of the County Fiscal Officer, Cuyahoga County, Ohio

**Notes:**

The gross general bonded debt includes all general obligation and tax-backed bonds and their related unamortized premiums, discounts and adjustments. Capital leases are not included in this calculation.

## Euclid City School District

### *Computation of Direct and Overlapping Debt Attributable to Governmental Activities June 30, 2019*

	Governmental Activities Outstanding Debt	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
<b>Direct Debt:</b>			
Euclid City School District	\$ 133,148,889	100.00 %	\$ 133,148,889
<b>Overlapping Debt:</b>			
City of Euclid (2)	20,436,590	100.00	20,436,590
Cuyahoga County (2)	188,010,000	2.11	3,967,011
Cuyahoga Community College (2)	212,260,000	2.11	4,478,686
Total Overlapping Debt	420,706,590		28,882,287
Total Direct and Overlapping Debt	\$ 553,855,479		\$ 162,031,176

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

**Notes:**

- (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 2019 collection year.
- (2) This governmental entity has a fiscal year end of December 31<sup>st</sup>. Therefore, the outstanding debt presented is as of that date.

## Euclid City School District

### Computation of Legal Debt Margin

#### Last Ten Fiscal Years

	2019	2018	2017	2016
Assessed Valuation	\$ 643,682,300	\$ 555,443,440	\$ 559,010,670	\$ 557,393,500
<b>Debt Limit</b> - 9.0% of Assessed Valuation (1)	\$ 57,931,407	\$ 49,989,910	\$ 50,310,960	\$ 50,165,415
Amount of Debt Applicable to the Debt Limit:				
General Obligation Bonds - Voted (2)	125,604,990	126,909,990	128,659,990	34,104,996
General Obligation Bonds - Unvoted (2)	529,500	619,700	705,300	1,026,500
Tax Anticipation Notes (2)	1,830,000	2,255,000	2,665,000	3,065,000
Less:				
Amount Available in the Bond Retirement Fund	(12,721,119)	(11,198,425)	(10,816,172)	(4,167,906)
Total	115,243,371	118,586,265	121,214,118	34,028,590
Exempt Debt:				
Tax Anticipation Notes	1,830,000	2,255,000	2,665,000	3,065,000
Debt pursuant to Section 133.06(I) - See (3)	55,481,964	66,341,355	68,238,158	-
Amount of Debt Subject to Limit	57,931,407	49,989,910	50,310,960	30,963,590
<b>Overall Debt Margin</b>	\$ -	\$ -	\$ -	\$ 19,201,825
Legal Debt Margin as a Percentage of the Debt Limit	0.00%	0.00%	0.00%	38.28%
<b>Unvoted Debt Limit</b> - 0.1% of Assessed Valuation (1)	\$ 643,682	\$ 555,443	\$ 559,011	\$ 557,394
Amount of Debt Applicable to the Unvoted Debt Limit	-	-	-	-
<b>Unvoted Debt Margin</b>	\$ 643,682	\$ 555,443	\$ 559,011	\$ 557,394
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

**Sources:**

- School District Financial Records
- Office of the Fiscal Officer, Cuyahoga County, Ohio

**Notes:**

- (1) Ohio Bond Law sets a limit of 9.0% for overall debt and 1/10<sup>th</sup> of 1.0% for unvoted debt.
- (2) The debt reflects only the principal balance outstanding. Any unamortized premiums, discounts or other adjustments are not included in this amount.
- (3) Section 133.06(I) of the Ohio Revised Code permits a school district to incur net indebtedness in excess of the 9.0 percent 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 Ohio Revised Code. Since the School District entered into a project under Chapter 3318 of the Ohio Revised Code, this exception was included during the calculation of the overall legal debt margin.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>\$ 580,765,910</u>	<u>\$ 586,839,480</u>	<u>\$ 587,254,750</u>	<u>\$ 738,711,240</u>	<u>\$ 746,769,750</u>	<u>\$ 749,989,650</u>
<u>\$ 52,268,932</u>	<u>\$ 52,815,553</u>	<u>\$ 52,852,928</u>	<u>\$ 66,484,012</u>	<u>\$ 67,209,278</u>	<u>\$ 67,499,069</u>
35,384,996	36,885,000	37,869,828	39,309,828	41,519,782	44,244,782
1,328,600	1,616,800	1,891,200	2,152,100	2,404,600	2,643,900
3,450,000	4,600,000	5,710,000	6,435,000	2,950,000	3,615,000
<u>(3,661,650)</u>	<u>(4,057,427)</u>	<u>(4,556,829)</u>	<u>(4,728,522)</u>	<u>(5,488,270)</u>	<u>(4,907,391)</u>
36,501,946	39,044,373	40,914,199	43,168,406	41,386,112	45,596,291
3,450,000	4,600,000	5,710,000	6,435,000	2,950,000	3,615,000
-	-	-	-	-	-
<u>33,051,946</u>	<u>34,444,373</u>	<u>35,204,199</u>	<u>36,733,406</u>	<u>38,436,112</u>	<u>41,981,291</u>
<u>\$ 19,216,986</u>	<u>\$ 18,371,180</u>	<u>\$ 17,648,729</u>	<u>\$ 29,750,606</u>	<u>\$ 28,773,166</u>	<u>\$ 25,517,778</u>
36.77%	34.78%	33.39%	44.75%	42.81%	37.80%
\$ 580,766	\$ 586,839	\$ 587,255	\$ 738,711	\$ 746,770	\$ 749,990
-	-	-	-	-	-
<u>\$ 580,766</u>	<u>\$ 586,839</u>	<u>\$ 587,255</u>	<u>\$ 738,711</u>	<u>\$ 746,770</u>	<u>\$ 749,990</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Euclid City School District**

*Demographic and Economic Statistics*

*Last Ten Calendar Years*

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Cuyahoga County Unemployment Rate (3)</u>
2018	48,920 (a)	\$ 1,043,365,760	\$ 21,328	5.2 %
2017	48,920 (a)	1,043,365,760	21,328	5.9
2016	48,920 (a)	1,043,365,760	21,328	5.4
2015	48,920 (a)	1,043,365,760	21,328	5.2
2014	48,920 (a)	1,043,365,760	21,328	6.3
2013	48,920 (a)	1,043,365,760	21,328	7.0
2012	48,920 (a)	1,043,365,760	21,328	6.8
2011	48,920 (a)	1,043,365,760	21,328	7.6
2010	48,920 (a)	1,043,365,760	21,328	8.5
2009	52,717 (b)	1,036,627,088	19,664	8.7

**Sources:**

- (1) U.S. Bureau of Census, Census of Population:
  - (a) 2010 Federal Census
  - (b) 2000 Federal Census
- (2) Computation of per capital personal income multiplied by population.
- (3) Annual Average obtained from Local Area Unemployment Statistics, Ohio Department of Job & Family Services

**Euclid City School District**

*Principal Employers*

*Current and Nine Years Ago*

Employer	December 31, 2018	
	Number of W-2s Issued	Percentage of Total City Employment
Lincoln Electric Company	2,879	12.26 %
Cleveland Clinic	1,403	5.98
Euclid Board of Education	997	4.25
Hose Masters	542	2.31
City of Euclid	521	2.22
Eaton Industrial Corporation	413	1.76
Babcock & Wilcox Nuclear Operations	368	1.57
Remedi Senior	221	0.94
HC Starck Incorporated	126	0.54
Turbine Engine	125	0.52
Totals	<u>7,595</u>	<u>32.35 %</u>
Total Estimated Employment within the City	<u>23,478</u>	

Employer	December 31, 2009	
	Number of W-2s Issued	Percent of Real Estate Assessed Value
Lincoln Electric Company	2,416	10.16 %
Cleveland Clinic	1,594	6.70
Euclid Board of Education	1,379	5.80
City of Euclid	686	2.88
Cuyahoga County	552	2.32
University Hospitals Health System	519	2.18
Argo Tech Corporation	434	1.82
Babcock & Wilcox Nuclear Operations	249	1.05
HC Starck Inc.	245	1.03
Hose Masters	244	1.02
Totals	<u>8,318</u>	<u>34.96 %</u>
Total Estimated Employment within the City	<u>23,790</u>	

**Source:** City of Euclid Income Tax Department

# Euclid City School District

## *Per Pupil Cost*

### *Last Ten Fiscal Years*

Fiscal Year	(1) Expenditures	Enrollment (2)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/ Teacher Ratio	Percentage of Students Receiving Free or Reduced Lunch (3)	%
2019	\$ 129,822,289	5,002	\$ 25,954	29.80%	341.4	14.7	100.00	%
2018	103,854,017	5,194	19,995	20.48%	354.0	14.7	100.00	
2017	86,599,298	5,218	16,596	3.48%	367.5	14.2	74.09	
2016	85,659,368	5,341	16,038	4.24%	382.4	14.0	75.87	
2015	82,804,779	5,382	15,386	-3.59%	369.0	14.6	77.89	
2014	84,313,714	5,283	15,959	-5.89%	374.8	14.1	77.42	
2013	91,214,566	5,379	16,958	-28.20%	369.0	14.6	72.93	
2012	131,802,150	5,580	23,620	44.85%	378.4	14.7	74.34	
2011	94,465,177	5,793	16,307	15.26%	386.9	15.0	75.49	
2010	87,265,695	6,168	14,148	2.99%	392.9	15.7	70.22	

**Sources:**

- (1) Obtained from the School District's Governmental Fund Financial Statement.
- (2) Based upon EMIS information provided to the Ohio Department of Education
- (3) Information provided to the Ohio Department of Education from the Euclid City School District's Food Service Department. In 2018, the School District became eligible for the Community Eligibility Provision (CEP). This allows the School District to serve breakfast and lunch at no cost to all enrolled students without collection of household applications.

**Notes:**

Phase I of the School District's Classroom Facilities project commenced during fiscal year 2010 and ended in fiscal year 2013. Phase II began in late fiscal year 2017. The significant expenditure fluctuations in those years can mainly be attributed to the construction projects.



# Euclid City School District

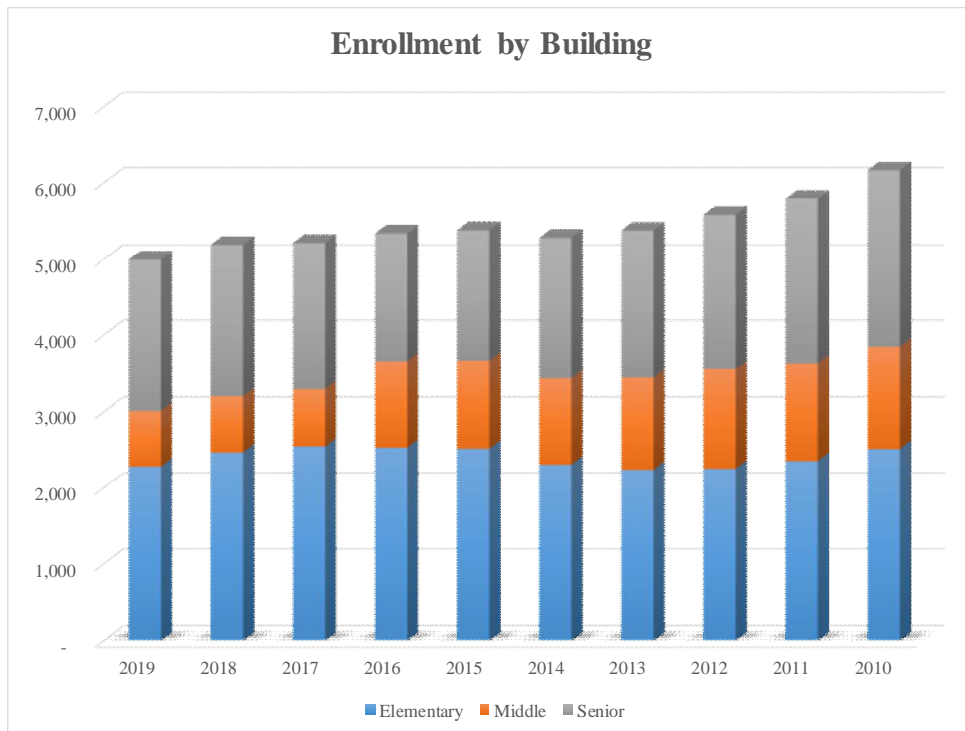
## *Enrollment Statistics*

### *Last Ten Fiscal Years*

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>Senior High School</u>	<u>Total</u>
2019	2,284	734	1,984	5,002
2018	2,467	740	1,987	5,194
2017	2,546	753	1,919	5,218
2016	2,529	1,132	1,680	5,341
2015	2,516	1,155	1,711	5,382
2014	2,306	1,132	1,845	5,283
2013	2,241	1,205	1,933	5,379
2012	2,253	1,304	2,023	5,580
2011	2,353	1,284	2,156	5,793
2010	2,511	1,342	2,315	6,168

**Source:** Based upon EMIS information provided to the Ohio Department of Education

**Notes:** In fiscal year 2017, the Euclid City School District closed Forest Park Middle School and consolidated all of 6th and 7th Grades at Central Middle School and all of 8th Grade at Senior High School.



## Euclid City School District

### *Attendance and Graduation Rates*

#### *Last Ten Fiscal Years*

Fiscal Year	District Attendance Rate (1)		4-year Rate		5-year Rate	
			District Graduation Rate (2)	State Average (1)	District Graduation Rate (2)	State Average (1)
2019	89.8 %	93.5 %	N/A %	N/A %	N/A %	N/A %
2018	90.4	93.7	70.2	85.3	N/A	N/A
2017	90.8	93.9	65.4	84.2	74.6	85.9
2016	93.2	94.1	75.2	83.5	81.6	86.1
2015	93.5	94.1	64.9	83.0	71.7	85.6
2014	93.8	94.3	66.9	82.3	71.2	84.9
2013	93.7	94.2	73.6	82.2	77.2	84.5
2012	94.0	94.5	69.5	81.3	75.0	83.8
2011	94.0	94.5	66.4	79.7	70.3	82.4
2010	94.4	94.3	62.4	78.0	66.5	80.6

**Sources:**

- (1) Based upon EMIS information provided to the Ohio Department of Education
- (2) Graduation rates were obtained from the Euclid City School District's Guidance Department coupled with EMIS information provided to the Ohio Department of Education.

N/A - Information is not available

**Notes:**

The 4 and 5 year graduation rates look at the percent of students who successfully finished high school with a diploma in four or five years.

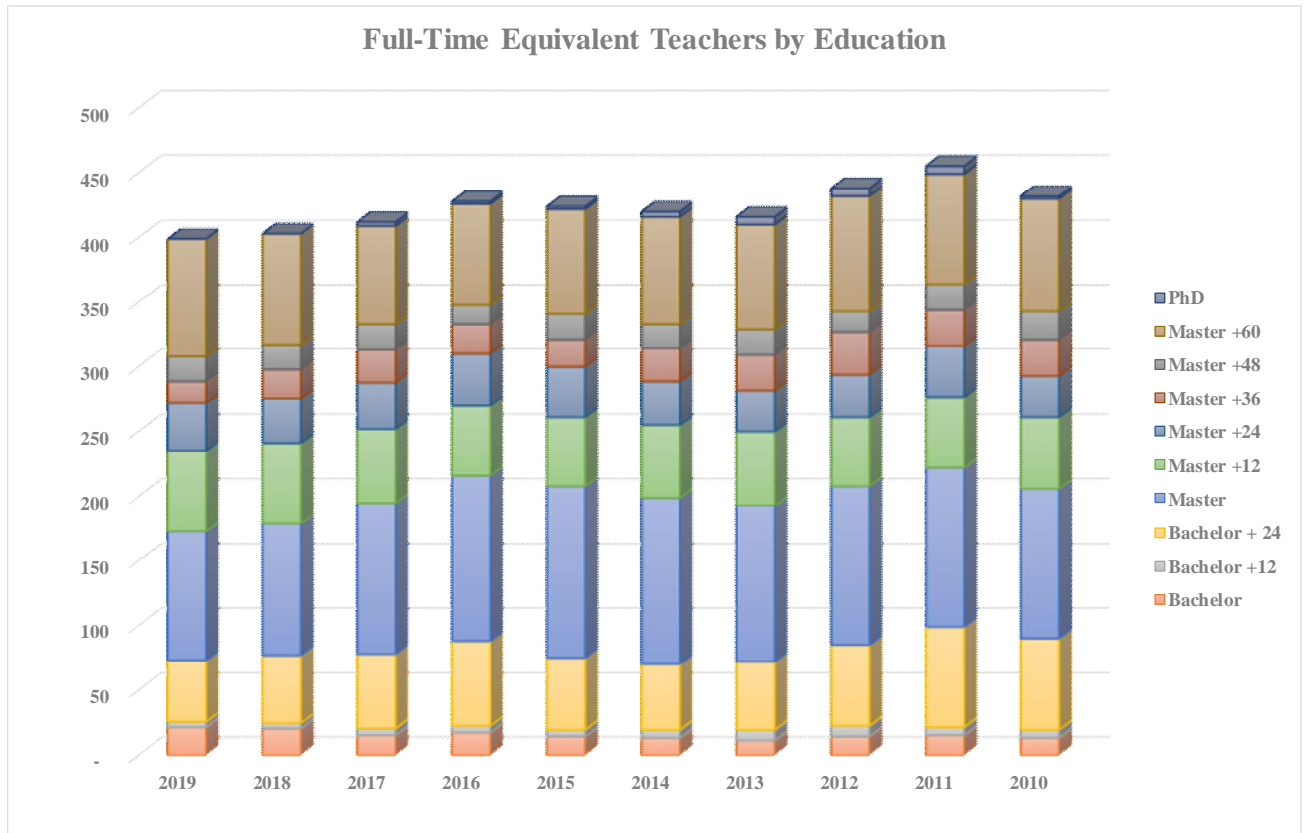
# Euclid City School District

## *Full-Time Equivalent Teachers by Education*

### *Last Ten Fiscal Years*

Fiscal Year	Bachelor's				Master's							PhD	Grand Total
	Degree	Degree +12	Degree +24	Total	Degree	Degree +12	Degree +24	Degree +36	Degree +48	Degree +60	Total		
2019	21	4	48	<b>73</b>	100	62	37	17	19	91	<b>326</b>	<b>0</b>	<b>399</b>
2018	20	4	53	<b>77</b>	102	62	35	22	19	86	<b>326</b>	<b>0</b>	<b>403</b>
2017	15	5	58	<b>78</b>	117	57	36	25	20	76	<b>331</b>	<b>3</b>	<b>412</b>
2016	17	5	66	<b>88</b>	128	54	40	23	15	78	<b>338</b>	<b>2</b>	<b>428</b>
2015	14	5	56	<b>75</b>	133	53	39	21	20	81	<b>347</b>	<b>2</b>	<b>424</b>
2014	13	6	51	<b>70</b>	129	56	34	25	19	83	<b>346</b>	<b>4</b>	<b>420</b>
2013	11	8	53	<b>72</b>	121	57	32	27	20	81	<b>338</b>	<b>6</b>	<b>416</b>
2012	14	8	63	<b>85</b>	123	53	33	33	16	89	<b>347</b>	<b>6</b>	<b>438</b>
2011	15	6	78	<b>99</b>	123	55	39	28	20	85	<b>350</b>	<b>6</b>	<b>455</b>
2010	13	6	71	<b>90</b>	116	55	32	28	22	87	<b>340</b>	<b>2</b>	<b>432</b>

**Source:** School District Records



# Euclid City School District

## *School District Employees by Function/Program*

### *Last Ten Fiscal Years*

Function/Program	2019	2018	2017	2016
<b><u>Instruction:</u></b>				
<i>Regular</i>				
Elementary Classroom Teachers	94.00	94.50	91.00	96.00
Middle School Classroom Teachers	35.00	36.00	34.00	63.00
High School Classroom Teachers	84.00	90.00	92.00	76.00
District wide Classroom Teachers	12.59	17.50	19.50	22.50
Specials - Art, Music, Health and Physical Education	30.80	31.50	33.00	37.00
<i>Special</i>				
Elementary Classroom Teachers	31.00	34.00	34.00	26.00
Middle School Classroom Teachers	12.00	13.00	11.00	21.00
High School Classroom Teachers	28.00	27.00	29.00	27.00
Gifted Education Teachers	4.00	4.00	5.00	4.00
<i>Vocational</i>				
High School Classroom Teachers	10.00	8.00	9.00	7.00
<i>Other</i>				
Elementary Tutors	9.60	12.00	9.00	16.00
Middle School Tutors	-	1.00	-	2.50
District wide Tutors	1.80	1.00	3.50	1.00
<b><u>Supporting Services:</u></b>				
<i>Pupils</i>				
Guidance Counselors	10.00	10.00	10.00	10.00
Librarians	1.00	1.00	1.00	1.00
Psychologists	8.00	8.00	8.00	8.00
Speech and Language Pathologists	7.00	8.00	8.00	8.00
OT/PT	4.00	4.00	4.00	3.00
Non-Teaching Support Staff Central	10.58	11.00	11.00	10.50
<i>Instructional Staff</i>				
Non-Teaching Support Staff Elementary	79.07	68.00	68.00	54.00
Non-Teaching Support Staff Middle	15.13	11.00	11.50	18.00
Non-Teaching Support Staff High	20.87	16.00	24.00	21.00
<i>Administration</i>				
Elementary	13.00	13.00	12.00	8.00
Middle School	3.00	3.00	3.00	6.00
High School	6.00	6.00	8.00	6.00
Central	6.00	7.00	7.00	9.00
<i>Fiscal</i>				
Treasurer's Department	8.50	8.50	8.50	9.00

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
94.00	92.00	91.50	96.00	103.00	113.00
63.00	62.50	61.00	60.00	68.00	47.50
78.00	82.50	91.00	79.00	82.00	79.00
17.50	21.50	8.50	18.50	14.50	-
39.50	35.00	36.00	38.00	41.00	-
26.00	26.00	25.00	32.50	33.00	20.00
22.00	21.00	23.00	24.00	23.00	27.00
25.00	21.00	22.00	22.00	19.50	15.55
5.00	4.00	3.00	3.00	3.00	8.00
7.00	6.00	6.00	7.00	6.00	8.00
12.50	13.00	-	-	-	-
3.50	1.50	-	-	-	-
1.00	-	1.00	1.00	-	-
11.00	11.00	11.00	11.00	16.50	15.00
1.00	1.00	1.00	1.00	1.00	1.00
8.00	9.00	8.00	8.00	8.00	8.00
8.00	7.00	7.00	7.00	7.00	6.70
3.00	3.00	3.00	3.00	3.00	-
11.00	12.00	9.00	9.00	9.00	18.00
52.50	40.00	50.00	54.00	54.50	46.58
18.50	14.00	21.00	23.00	20.00	8.50
23.00	19.00	25.00	22.00	33.00	13.50
8.00	8.00	8.00	7.00	8.00	8.00
6.00	6.00	6.00	6.00	6.00	6.00
7.00	5.00	6.00	6.00	6.00	6.00
8.00	9.00	9.00	8.00	9.00	5.00
9.00	9.50	9.50	9.00	9.50	11.00

*(continued)*

**Euclid City School District**

*School District Employees by Function/Program  
(continued)  
Last Ten Fiscal Years*

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Supporting Services:</u></b> (continued)				
<i>Business</i>				
Central	2.00	2.00	2.00	2.00
<i>Operation and Maintenance of Plant Services</i>				
Custodial Department	11.00	11.00	8.00	10.00
Maintenance Department	32.84	38.00	34.00	38.00
<i>Pupil Transportation</i>				
Bus Drivers	(a)	(a)	(a)	(a)
Bus Aides	(a)	(a)	(a)	(a)
Mechanics	(a)	(a)	(a)	(a)
Transportation Support Staff	(a)	(a)	(a)	(a)
<i>Central</i>				
Technology	8.00	8.00	8.00	10.00
Personnel	4.00	4.00	4.00	4.00
<b><u>Extracurricular Activities:</u></b>				
Athletic Department	2.00	2.00	2.00	2.00
<b><u>Food Services:</u></b>				
Elementary	12.40	12.50	11.00	12.50
Middle	4.17	4.00	4.50	8.00
High School Cooks	3.00	3.00	3.00	3.00
Central	2.84	3.00	4.00	4.00
<b><u>Adult Education/Community School:</u></b>				
Preschool	15.00	16.00	15.00	15.00
Day Care	(b)	(b)	(b)	(b)
<b>Totals</b>	<u>642.18</u>	<u>647.50</u>	<u>649.50</u>	<u>679.00</u>

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee

**Source:** School District's Payroll Records

**Notes:**

- (a) Starting in school year 2013/2014, the School District contracted pupil transportation services with a third party vendor.
- (b) School year 2011/2012 was the last school year in which the School District provided a day care option.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
2.00	2.00	2.00	2.00	2.00	2.00
10.00	14.00	14.00	16.00	22.00	21.00
39.00	44.00	45.50	38.00	43.00	46.00
(a)	(a)	14.50	42.50	36.50	31.50
(a)	(a)	7.00	8.50	11.00	8.00
(a)	(a)	1.00	2.00	2.00	2.00
(a)	(a)	2.00	3.00	3.00	3.00
10.00	10.00	9.00	9.00	8.00	6.00
4.00	4.00	4.00	4.00	4.00	3.00
1.50	1.50	1.50	1.50	1.50	1.50
11.50	11.50	11.50	12.00	13.50	11.00
8.50	7.50	9.00	9.00	8.50	7.50
3.00	3.00	3.00	3.00	4.00	5.50
3.00	3.00	3.00	2.00	3.00	3.00
9.00	8.00	4.00	4.00	5.00	5.00
(b)	(b)	(b)	14.00	13.50	10.50
<u>669.50</u>	<u>648.00</u>	<u>672.50</u>	<u>725.50</u>	<u>764.00</u>	<u>637.83</u>

# Euclid City School District

## *Building Statistics*

### *Last Ten Fiscal Years*

	2019	2018	2017	2016
<b>Memorial Park (5)</b>				
Constructed in 1956				
Total Building Square Footage	46,745	46,745	46,745	46,745
Student Capacity	560	560	560	560
% of Capacity in Use	44%	49%	49%	46%
<b>Glenbrook (1)</b>				
Constructed in 1965				
Total Building Square Footage	0	0	0	0
Student Capacity	0	0	0	0
% of Capacity in Use	0%	0%	0%	0%
<b>Roosevelt (1)</b>				
Constructed in 1920				
Total Building Square Footage	0	0	0	0
Student Capacity	0	0	0	0
% of Capacity in Use	0%	0%	0%	0%
<b>Upson (1)</b>				
Constructed in 1925				
Total Building Square Footage	0	0	0	0
Student Capacity	0	0	0	0
% of Capacity in Use	0%	0%	0%	0%
<b>Thomas Jefferson (1)</b>				
Constructed in 1953				
Total Building Square Footage	0	0	0	0
Student Capacity	0	0	0	0
% of Capacity in Use	0%	0%	0%	0%
<b>Lincoln (6)</b>				
Constructed in 1959				
Total Building Square Footage	30,195	30,195	30,195	30,195
Student Capacity	450	450	450	450
% of Capacity in Use	0%	0%	0%	0%
<b>Indian Hills (6)</b>				
Constructed in 1970				
Total Building Square Footage	33,224	33,224	33,224	33,224
Student Capacity	380	380	380	380
% of Capacity in Use	0%	0%	0%	0%
<b>Arbor (2)</b>				
Constructed in 2012				
Total Building Square Footage	72,500	72,500	72,500	72,500
Student Capacity	650	650	650	650
% of Capacity in Use	84%	87%	92%	92%



2015	2014	2013	2012	2011	2010
46,745	46,745	46,745	46,745	46,745	46,745
560	560	560	560	560	560
41%	15%	5%	66%	64%	66%
0	0	0	42,723	42,723	42,723
0	0	0	380	380	380
0%	0%	0%	0%	30%	26%
0	0	0	68,800	68,800	68,800
0	0	0	540	540	540
0%	0%	0%	81%	86%	91%
0	0	0	55,726	55,726	55,726
0	0	0	700	700	700
0%	0%	0%	0%	0%	0%
0	0	0	62,645	62,645	62,645
0	0	0	480	480	480
0%	0%	0%	0%	0%	0%
30,195	30,195	30,195	30,195	30,195	30,195
450	450	450	450	450	450
0%	0%	0%	0%	0%	0%
33,224	33,224	33,224	33,224	33,224	33,224
380	380	380	380	380	380
0%	0%	0%	0%	0%	0%
72,500	72,500	72,500	0	0	0
650	650	650	0	0	0
93%	90%	79%	0%	0%	0%

(continued)

# Euclid City School District

## *Building Statistics (continued) Last Ten Fiscal Years*

	2019	2018	2017	2016
<b>Bluestone (2)</b>				
Constructed in 2012				
Total Building Square Footage	72,500	72,500	72,500	72,500
Student Capacity	650	650	650	650
% of Capacity in Use	80%	90%	91%	94%
<b>Chardon Hills (2)</b>				
Constructed in 2012				
Total Building Square Footage	72,500	72,500	72,500	72,500
Student Capacity	650	650	650	650
% of Capacity in Use	72%	78%	81%	80%
<b>Shoreview (2)</b>				
Constructed in 2012				
Total Building Square Footage	72,500	72,500	72,500	72,500
Student Capacity	650	650	650	650
% of Capacity in Use	78%	81%	86%	84%
<b>Forest Park (3)</b>				
Constructed in 1962				
Total Building Square Footage	109,306	109,306	109,306	109,306
Student Capacity	820	820	820	820
% of Capacity in Use	0%	0%	0%	63%
<b>Central (4)</b>				
Constructed in 1968				
Total Building Square Footage	140,792	140,792	140,792	140,792
Student Capacity	900	900	900	900
% of Capacity in Use	82%	82%	84%	68%
<b>Euclid High School (4)</b>				
Constructed in 1950				
Total Building Square Footage	470,000	470,000	470,000	470,000
Student Capacity	2,040	2,040	2,040	2,040
% of Capacity in Use	97%	97%	94%	82%

**Source:** School District's Records

**Notes:**

- (1) The first phase of the Euclid City School District's school construction projects was completed in the 2012/2013 school year. These elementary school buildings were demolished and replaced with new elementary school buildings.
- (2) These elementary school buildings were completed and functional for the start of the 2012/2013 school year.
- (3) Due to declining enrollment and structural issues, the Euclid City School District closed this building after the 2015/2016 school year.
- (4) Starting in school year 2016/2017, students in grades 6 and 7 were placed in Central Middle School and the students in grade 8 were placed in the High School building
- (5) Beginning in school year 2012/2013, this school building went from being a school for students in grades K through 5 to solely students in the preschool grade level.
- (6) This school building was leased to another legal entity.

2015	2014	2013	2012	2011	2010
72,500	72,500	72,500	0	0	0
650	650	650	0	0	0
94%	90%	77%	0%	0%	0%
72,500	72,500	72,500	0	0	0
650	650	650	0	0	0
82%	79%	84%	0%	0%	0%
72,500	72,500	72,500	0	0	0
650	650	650	0	0	0
82%	83%	92%	0%	0%	0%
109,306	109,306	109,306	109,306	109,306	109,306
820	820	820	820	820	820
67%	69%	77%	83%	82%	84%
140,792	140,792	140,792	140,792	140,792	140,792
900	900	900	900	900	900
67%	63%	64%	69%	68%	73%
470,000	470,000	470,000	470,000	470,000	470,000
2,040	2,040	2,040	2,040	2,040	2,040
84%	90%	95%	99%	106%	113%

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# OHIO AUDITOR OF STATE KEITH FABER



**EUCLID CITY SCHOOL DISTRICT**

**CUYAHOGA 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 28, 2020**