

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 30, 2025

NEW ISSUE: BOOK-ENTRY ONLY

Ratings:

Programmatic Ratings: Moody's: Aa1
(Ohio School District Credit Enhancement Program)

Underlying Rating: Moody's: A3

See **Ratings**

*In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations. For a more complete discussion of the tax aspects, see **Tax Matters**.*



\$38,130,000*

EUCLID CITY SCHOOL DISTRICT, OHIO GENERAL OBLIGATION (Unlimited Tax)

CLASSROOM FACILITIES AND SCHOOL IMPROVEMENT REFUNDING BONDS, SERIES 2025

Dated: Closing Date

Due: January 15, as shown on the inside cover page

The Bonds. The Bonds are voted general obligations of the School District, issued to refund certain securities issued previously to finance certain permanent improvements, as described under **Authorization and Purpose**. Principal and interest, unless paid from other sources, are to be paid from the proceeds of the School District's levy of ad valorem property taxes, which taxes are without limitation as to amount or rate.

Book-Entry Only. The Bonds will be initially issued only as fully registered bonds, one for each maturity, issuable under a book-entry system, registered initially in the name of The Depository Trust Company or its nominee (DTC). There will be no distribution of Bonds to the ultimate purchasers. The Bonds in certificated form as such will not be transferable or exchangeable, except for transfer to another nominee of DTC or as otherwise described in this Official Statement. See **Appendix E**.

Payment. (See *Maturity Schedule on inside cover*.) Principal and interest on the Bonds will be payable to the registered owner (DTC), principal upon presentation and surrender at the designated corporate trust office of Argent Institutional Trust Company (the Bond Registrar), and interest transmitted by the Bond Registrar on each interest payment date (January 15 and July 15 of each year, beginning January 15, 2026*) to the registered owner (DTC) as of the 15th day preceding that interest payment date.

Prior Redemption*. The Bonds maturing after January 15, 20__, are subject to optional redemption by the School District prior to maturity, beginning January 15, 20__, and any Term Bonds may be subject to mandatory redemption, as described in this Official Statement. See **Certain Terms of the Bonds – Prior Redemption**.

The Bonds are offered when, as and if issued, and accepted Stifel, Nicolaus & Company, Incorporated (the Underwriter), subject to the opinion on certain legal matters relating to their issuance of Squire Patton Boggs (US) LLP, Bond Counsel to the School District. Squire Patton Boggs (US) LLP will also pass upon certain legal matters for the School District as its Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Frost Brown Todd LLP. The Bonds are expected to be available for delivery to DTC or its agent on October 28, 2025.

STIFEL

This Official Statement has been prepared by the District in connection with its original offering for sale of the Bonds. The Cover includes certain information for quick reference only. It is not a summary of the Bond issue. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

The date of this Official Statement is October __, 2025, and the information herein speaks only as of that date.

* Preliminary, subject to change.

PRINCIPAL MATURITY SCHEDULE*
ON JANUARY 15

\$38,130,000 SERIAL BONDS

Year	Amount	Interest Rate	Price	CUSIP(a) No. 298047
2026	\$ 515,000			
2027	50,000			
2028	1,520,000			
2029	3,060,000			
2030	3,195,000			
2031	1,675,000			
2032	1,480,000			
2033	1,915,000			
2034	1,775,000			
2035	2,170,000			
2036	45,000			
2037	45,000			
2038	2,470,000			
2039	2,600,000			
2040	2,780,000			
2041	2,925,000			
2042	3,070,000			
2043	3,335,000			
2044	3,505,000			

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* Preliminary, subject to change.

EUCLID CITY SCHOOL DISTRICT, OHIO

SCHOOL DISTRICT OFFICIALS

Board of Education:

Evan Botzki
Gabrielle Kelly, President
Tia Otoo
Pamela Turos, Vice President
Selina Wright

Superintendent: Christopher Papouras
Treasurer: Patrick J. Higley

PROFESSIONAL SERVICES

Bond and Disclosure Counsel:	Squire Patton Boggs (US) LLP
Bond Registrar/Escrow Trustee:	Argent Institutional Trust Company
Underwriter:	Stifel, Nicolaus & Company, Incorporated
Underwriter's Counsel:	Frost Brown Todd LLP
Verification Agent:	Causey Public Finance, LLC

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REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the Cover (as defined herein). No dealer, broker, sales person or other person has been authorized by the Board of Education of the School District (the Board) to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the School District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make that offer, solicitation or sale.

The information in this Official Statement is provided by the School District in connection with the original offering of the Bonds. Reliance should not be placed on any other information publicly provided, in any format including electronic, by the School District for other purposes, including general information provided to the public or to portions of the public. The information in this Official Statement is subject to change without notice. Information located at websites referred to herein has been prepared by the respective entities responsible for maintaining such websites. The School District takes no responsibility for the continued accuracy of any internet address or the accuracy, completeness, or timeliness of any information posted at any such address. Neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the School District since its date.

This Official Statement contains statements that the School District believes may be “forward-looking statements.” Words such as “plan,” “estimate,” “project,” “budget,” “anticipate,” “expect,” “intend,” “believe” and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involves known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the School District’s control and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. The School District undertakes no obligation, and does not plan, to issue any updates or revisions to such forward-looking statements.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE SCHOOL DISTRICT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE AT THE REQUEST OF THE SCHOOL DISTRICT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR DISAPPROVED THE BONDS FOR SALE.

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or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

The Ohio Municipal Advisory Council (OMAC) has requested that this paragraph be included in this Official Statement. Certain information contained in the Official Statement is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

In connection with this offering, the Underwriter may overallocate or effect transactions that stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the Cover, which public offering prices may be changed from time to time by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

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INTRODUCTORY STATEMENT

This Official Statement has been prepared by the Board of Education (the Board) of Euclid City School District, Ohio (the School District or District), in connection with its original issuance and sale of the Bonds identified on the Cover (the Bonds). Certain information concerning the Bonds, including their authorization, purpose, terms and security and sources of payment, and the School District is provided in this Official Statement.

This Introductory Statement briefly describes certain information relating to the Bonds and supplements certain information on the Cover. It is not intended as a substitute for the more detailed discussions in this Official Statement. Investors should read the entire Official Statement to obtain information as a basis for making informed investment judgments.

All financial and other information in this Official Statement has been provided by the School District from its records, except for information expressly attributed to other sources and except for certain information on the Cover and all information under **Underwriting** and in **Appendices D, E and F**. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. See also **Regarding This Official Statement**.

This Official Statement should be considered in its entirety and no one subject should be considered less important than another by reason of location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents. References to provisions of Ohio law, including the Revised Code and the Ohio Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement:

- **“Beneficial Owner”** means the owner of a book-entry interest in the Bonds, as defined in Appendix E.
- **“Board”** means the Board of Education of Euclid City School District, Ohio.
- **“City”** means the City of Euclid, Ohio.
- **“County”** means County of Cuyahoga, Ohio.
- **“County Fiscal Officer”** means the Fiscal Officer of the County.
- **“Cover”** means the cover page and the inside cover pages of this Official Statement.
- **“Date of issuance” or “closing date”** means the date of initial delivery of the Bonds against payment by the Underwriter.
- **“Debt charges”** means principal (including any mandatory redemption payments) of and interest and any redemption premium on the obligations referred to; debt charges may also be referred to as “debt service.”
- **“Fiscal Year”** means the 12-month period ending June 30, and reference to a particular Fiscal Year (such as “Fiscal Year 2026”) means the Fiscal Year ending on June 30 in that year.

- **“Fiscal Year 2024 Financial Statements”** means the Basic Financial Statements from the School District’s Financial Report for Fiscal Year 2024 (Audited) attached as **Appendix C**.
- **“Interest Payment Date”** means each January 15 and July 15, beginning January 15, 2026*.
- **“Revised Code”** means the Ohio Revised Code.
- **“State” or “Ohio”** means the State of Ohio.
- **“Treasurer”** means the Treasurer/Chief Financial Officer of the Board.
- **“2021 State Budget Act”** means Amended Substitute House Bill No. 110, passed by the Ohio General Assembly and signed by the Governor on June 30, 2021, providing State appropriations for its 2021-2023 biennium (beginning July 1, 2021, through June 30, 2023) and enacting other statutory provisions.
- **“2023 State Budget Act”** means Amended Substitute House Bill No. 33, passed by the Ohio General Assembly and signed by the Governor on July 3, 2023, providing State appropriations for its 2023-2025 biennium (beginning July 1, 2023, through June 30, 2025) and enacting other statutory provisions.
- **“2025 State Budget Act”** means Amended Substitute House Bill No. 96, passed by the Ohio General Assembly and signed by the Governor on June 30, 2025, providing State appropriations for its 2025-2027 biennium (beginning July 1, 2025, through June 30, 2027) and enacting other statutory provisions.

The Bonds are issued by Euclid City School District, Ohio. They are authorized by Chapter 133 of the Revised Code, votes of the electors and legislation adopted by the Board. The Bonds are being issued for the purpose of refunding for debt charges savings certain of the School District’s outstanding (i) Classroom Facilities and School Improvement Refunding Bonds, Series 2014, dated September 10, 2014 (the Series 2014 Bonds), (ii) Classroom Facilities and School Improvement Bonds, Series 2017A, dated March 8, 2017 (the Series 2017A Bonds), (iii) Classroom Facilities and School Improvement Bonds, Series 2017B, dated March 8, 2017 (the Series 2017B Bonds), and (iv) Classroom Facilities and School Improvement Bonds, Series 2017C, dated March 22, 2017 (the Series 2017C Bonds, and, together with the Series 2017A Bonds and the Series 2017B Bonds, the Series 2017 Bonds). See **The Bonds – Authorization and Purpose**.

The Bonds are voted general obligations of the School District, the full faith and credit and general property taxing power of which are pledged to the payment of debt charges. Unless paid from other sources, debt charges are to be paid from the proceeds of the School District’s levy of ad valorem property taxes, which taxes are without limitation as to amount or rate. See **Security and Sources of Payment**.

The Authorizing Legislation (see **The Bonds – Authorization and Purpose**) provides that the Bonds will be issued in the denomination of \$5,000 or in whole multiples of \$5,000. The Bonds will be initially issued only as fully registered bonds, one for each maturity (and interest rate within a maturity), issuable under a book-entry system and registered initially in the name of The

* Preliminary, subject to change.

Depository Trust Company, New York, New York, or its nominee (DTC). See **General; Book-Entry System** and **Appendix E**.

Principal and interest will be payable to the registered owner (DTC). Principal of the Bonds will be payable on presentation and surrender at the designated corporate trust office of the Bond Registrar. See **Bond Registrar and Escrow Trustee**. Interest on the Bonds will be transmitted by the Bond Registrar on each interest payment date (January 15 and July 15, beginning January 15, 2026*) to the registered owner as of the 15th day preceding that interest payment date.

The Bonds maturing after January 15, 20__*, are subject to prior redemption on any date, by and at the sole option of the Board, in whole or in part as selected by the Board (in whole multiples of \$5,000), on or after January 15, 20__*, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date. Certain of the Bonds may be offered and sold as term bonds subject to mandatory prior redemption, as described in this Official Statement. See **Certain Terms of the Bonds – Prior Redemption**.

The opinion as to the validity of the Bonds and certain tax matters will be rendered by Squire Patton Boggs (US) LLP (Bond Counsel). See **Legal Matters, Tax Matters** and **Appendix D**.

THE BONDS

AUTHORIZATION AND PURPOSE

The Bonds are to be issued pursuant to (i) Chapter 133 of the Revised Code (and particularly Section 133.34 thereof), (ii) a vote of the electors of the School District at the election held on November 3, 2009, on the question (approved by a 50.29% affirmative vote) of issuing bonds of the School District in the aggregate principal amount of \$40,300,000 for the purpose of paying the local share of the cost of constructing, furnishing and equipping four new elementary schools under the State of Ohio Classroom Facilities Assistance Program and constructing, furnishing, equipping and otherwise improving School District buildings and facilities and clearing, improving and equipping their sites (as to the Bonds refunding Series 2014 Bonds), (iii) a vote of the electors of the School District at the election held on November 8, 2016, on the question (approved by a 53.4% affirmative vote) of issuing general obligation bonds of the School District in the aggregate principal amount of \$96,300,000 for the purpose of adding to, renovating, remodeling, furnishing, equipping and improving the existing Euclid High School building and otherwise constructing, adding to, renovating, remodeling, furnishing, equipping and improving school district buildings and facilities and acquiring, clearing, improving and equipping their sites (as to the Bonds refunding Series 2017 Bonds), and (iv) Resolution Nos. 25-08-182 and 25-08-183, each adopted by the Board on August 13, 2025 and a final terms certificate proved for by those Resolutions (collectively, the Authorizing Legislation).

The Bonds are being issued for the purpose of refunding for debt charges savings certain of the School District's outstanding (i) Classroom Facilities And School Improvement Refunding Bonds, Series 2014, dated September 10, 2014, and stated to mature on January 15 in each of the years from 2028* through 2031*, and totaling \$6,420,000* in aggregate principal amount (the Refunded Series 2014 Bonds), which were issued for the purpose of refunding at a lower interest cost certain of the School District's then-outstanding Classroom Facilities and School Improvement Bonds, Series 2010B (Federally Taxable – Build America Bonds – Direct Payment), dated March 4, 2010, which were issued for the purpose of paying the local share of the cost of constructing, furnishing and equipping four new elementary schools under the State of Ohio Classroom Facilities

* Preliminary, subject to change.

Assistance Program and constructing, furnishing, equipping and otherwise improving school district buildings and facilities and clearing, improving and equipping their sites (the Refunded Series 2014 Bonds), (ii) Classroom Facilities and School Improvement Bonds, Series 2017A (Programmatic Rated Bonds), dated March 8, 2017, and stated to mature on January 15 in each of the years 2032*, 2033* and 2044*, and totaling \$25,485,000* in aggregate principal amount (the Refunded Series 2017A Bonds), (iii) Classroom Facilities and School Improvement Bonds, Series 2017B (Insured Rated Bonds), dated March 8, 2017, and stated to mature on January 15 in each of the years 2029* and 2030* and totaling \$3,260,000* in aggregate principal amount (the Refunded Series 2017B Bonds), and (iv) Classroom Facilities and School Improvement Bonds, Series 2017C, dated March 22, 2017, and stated to mature on January 15 in each of the years 2034* and 2035*, and totaling \$4,070,000* in aggregate principal amount (the Refunded Series 2017C Bonds, and, together with the Refunded Series 2017A Bonds and the Refunded Series 2017B Bonds, the Refunded Series 2017 Bonds). The Refunded Series 2017 Bonds were issued for the purpose of adding to, renovating, remodeling, furnishing, equipping and improving the existing Euclid High School building and otherwise constructing, adding to, renovating, remodeling, furnishing, equipping and improving school district buildings and facilities and acquiring, clearing, improving and equipping their sites.

The Refunded Series 2014 Bonds, the Refunded Series 2017A Bonds, the Refunded Series 2017B Bonds and the Refunded Series 2017C Bonds are referred to herein, collectively, as the Refunded Bonds.

Sources and Uses

The estimated sources and uses of funds in connection with the issuance of the Bonds are as follows:

<u>Sources of Funds</u>	<u>Amount</u>
Principal Amount of the Bonds	
[Net] Original Issue Premium	
Total Sources	
<u>Application of Funds</u>	
Deposit to the Escrow Fund	
Deposit to the Bond Retirement Fund	
Costs of Issuance(a)	
Total Uses	
(a) Includes costs of the issuance of the Bonds and the refunding of the Refunded Bonds, including the Underwriter's discount. See also Underwriting .	

Any original issue premium actually received by the School District on the sale of the Bonds in excess of that necessary to fully fund the Escrow Fund, as described below, and to pay costs of issuing the Bonds and refunding the Refunded Bonds and any interest accrued on the Bonds will be deposited in the School District's Bond Retirement Fund. Money in the Bond Retirement Fund is used to pay debt charges on School District debt obligations. See also the discussion under **Verification of Mathematical Computations**.

Refunding of Refunded Bonds

Proceeds from the sale of the Bonds that will be used to currently refund the Refunded Bonds will be deposited in an Escrow Fund held by Argent Institutional Trust Company (the Escrow

Trustee), pursuant to an Escrow Agreement between the School District and the Escrow Trustee to be dated as of October 28, 2025 (the Escrow Agreement). The money deposited in the Escrow Fund will be (a) held in cash to the extent not needed to make the investments described in (b) below, and (b) invested in direct obligations of or obligations guaranteed as to payment by the United States (within the meaning of Section 133.34(D) of the Revised Code) that mature or are subject to redemption by and at the option of the holder, in amounts sufficient, together with any uninvested cash in the Escrow Fund but without further investment or reinvestment, for the payment of the principal amount of the Refunded Bonds payable on, and the interest accrued to, redemption on January 15, 2026, as provided in the Authorizing Legislation. The Authorizing Legislation provides for an irrevocable call for optional redemption of the Refunded Bonds on January 15, 2026, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

CERTAIN TERMS OF THE BONDS

General; Book-Entry System

The Bonds will be dated their date of original issuance, will be payable in the principal amounts and on the dates and will bear interest (computed on the basis of a 360-day year and twelve 30-day months) at the rates and be payable on the dates, at the place and in the manner, all as described on the Cover.

The Bond Registrar will act as the paying agent for the Bonds and will keep all books and records necessary for registration, exchange and transfer of the Bonds. See **Bond Registrar and Escrow Trustee**.

The Bonds will be delivered in book-entry-only form and, when issued, registered in the name of The Depository Trust Company (DTC), New York, New York, or its nominee Cede & Co., which will act as securities depository for the Bonds. For discussion of the book-entry system and DTC and the replacement of Bonds in the event that the book-entry system is discontinued, see **Appendix E**.

Prior Redemption*

The Bonds are subject to mandatory and optional redemption as follows.

Mandatory Redemption

Some or all of the Bonds may be offered and sold as term bonds, with mandatory sinking fund redemption in part by lot pursuant to the terms of the mandatory sinking fund redemption requirements of the Authorizing Legislation, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date, on January 15 in the year or years as may be specified by the Underwriter at the time such Bonds are offered. Any term bonds redeemed by other than mandatory redemption, or purchased for cancellation, may be credited against the applicable mandatory redemption requirement for the corresponding term bonds.

Optional Redemption

The Bonds maturing after January 15, 20__, are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the District (in whole multiples

* Preliminary, subject to change.

of \$5,000), on any date on or after January 15, 20__, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

Selection of Bonds and Book-Entry Interests to be Redeemed

If fewer than all outstanding Bonds are called for optional redemption at one time, the Bonds to be called will be called as selected by, and selected in a manner as determined by, the District.

If less than all of an outstanding Bond of one maturity under a book-entry system is to be called for redemption (in the amount of \$5,000 or any whole multiple), the Bond Registrar will give notice of redemption only to DTC as registered owner. The selection of the book-entry interests in that Bond to be redeemed is discussed below under **Notice of Call for Redemption; Effect**.

If bond certificates are issued to the ultimate owners, and if fewer than all of the Bonds of a single maturity are to be redeemed, the selection of Bonds (or portions of Bonds in the amount of \$5,000 or any whole multiple) to be redeemed will be made by lot in a manner determined by the Bond Registrar.

In the case of a partial redemption by lot when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal will be treated as if it were a separate Bond of the denomination of \$5,000.

Notice of Call for Redemption; Effect

The Bond Registrar is to cause notice of the call for redemption, identifying the Bonds or portions of Bonds to be redeemed, to be sent by first-class mail, at least 30 days prior to the redemption date, to the registered owner (initially, DTC) of each Bond to be redeemed at the address shown on the Register on the 15th day preceding that mailing. Any defect in the notice or any failure to receive notice by mailing will not affect the validity of any proceedings for the redemption of any Bonds.

On the date designated for redemption, Bonds or portions of Bonds called for redemption shall become due and payable. If the Bond Registrar then holds sufficient money for payment of debt charges payable on that redemption date, interest on each Bond (or portion of a Bond) so called for redemption will cease to accrue on that date.

So long as all Bonds are held under a book-entry system by a securities depository (such as DTC), a call notice is to be sent by the Bond Registrar only to the depository or its nominee. Selection of book-entry interests in the Bonds called, and giving notice of the call to the owners of those interests called, is the sole responsibility of the depository and of its Direct Participants and Indirect Participants. Any failure of the depository to advise any Direct Participant, or of any Direct Participant or any Indirect Participant to notify the Beneficial Owners, of any such notice and in its content or effect will not affect the validity of any proceedings for the redemption of any Bonds or portions of Bonds. See **Appendix E**.

SECURITY AND SOURCES OF PAYMENT

The Bonds will be voted general obligation debt of the School District payable from the sources described below, subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

Basic Security

The basic security for payment of the Bonds is the requirement that the Board of Education of the School District levy ad valorem property taxes that are unlimited as to amount or rate to pay debt charges on the Bonds. The State constitution specifically prohibits a subdivision such as the School District from incurring general obligation indebtedness unless the authorizing legislation makes provision “for levying and collecting annually by taxation an amount sufficient to pay” the debt charges on the bonds. (Ohio Constitution Article XII Section 11.)

The Ohio Supreme Court has stated:

“Section 11 of Article XII of the Constitution of Ohio imposes a mandatory duty upon the State and its political subdivisions to pay the interest and principal of their indebtedness before provisions are to be made for current operating expenses.” *State ex rel. Nat’l City Bank v. Bd. of Ed. of the Cleveland City School District*, 52 Ohio St. 2d 81, 85 (1977).

See the further discussions under **Ad Valorem Property Taxes and School District Debt and Other Long-Term Obligations**.

Ohio law requires the Board to levy and collect that property tax to pay debt charges on the Bonds as they come due, unless and to the extent those debt charges are paid from other sources.

The Authorizing Legislation provides further security by making a pledge of the full faith and credit and the general property taxing power of the School District for the payment of debt charges on the Bonds as they come due. Included in that pledge are all funds of the School District, except those specifically limited to another use or prohibited from that use by the Ohio Constitution, or Ohio or federal law. Those exceptions include tax levies voted for specific purposes or expressly pledged to certain obligations. A similar pledge is made in each resolution authorizing voted or unvoted general obligation debt.

Enforcement of Rights and Remedies

In addition to the right of individual bondholders to sue upon their particular Bonds, Ohio law authorizes the holders of not less than 10% in principal amount of the outstanding Bonds, whether or not then due and payable or reduced to judgment, to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the Board of Education of the School District to levy, collect and apply the voted property taxes and other pledged receipts, if any, to pay debt charges and to perform its duties under law. Those bondholders may, in the case of any default in payment of debt charges, bring action to require the School District to account as if it were the trustee of an express trust for the bondholders or to enjoin any acts that may be unlawful or in violation of bondholder rights. See also **Appendix E**.

The State has pledged to and agreed with holders of securities such as the Bonds that

“...the state will not, by enacting any law or adopting any rule, repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the power or duty of a subdivision to exercise, perform, carry out, and fulfill its responsibilities or covenants under this chapter [Chapter 133, the State’s Uniform Public Securities Law] or legislation or agreements as to its Chapter 133. securities, including a credit enhancement facility, passed or entered into pursuant to this chapter, or repeal, revoke, repudiate, limit, alter, stay, suspend, or otherwise reduce, rescind, or impair the rights and remedies of any such holders fully to enforce such responsibilities, covenants, and agreements or to

enforce the pledge and agreement of the State contained in this division, or otherwise exercise any sovereign power materially impairing or materially inconsistent with the provisions of such legislation, covenants, and agreements.” (Section 133.25(D) of the Revised Code.)

Bankruptcy

Federal and State laws provide procedures for the adjustment of indebtedness of political subdivisions, such as the School District. Chapter 9 of the U.S. Bankruptcy Code would permit the School District to make such an adjustment if (i) it were “insolvent” (i.e., the School District was not paying its debt charges as they came due or it was unable to pay those debt charges as they became due), (ii) it met certain other criteria (e.g., having negotiated in good faith with its creditors and failed to reach agreement or such negotiation was impractical because of time restrictions, the number of creditors or other reasons) and (iii) it were authorized under State law (by legislation or by a governmental officer) to seek relief under Chapter 9. The State’s Uniform Public Securities Law provides that the School District or any other subdivision must obtain the approval of the State Tax Commissioner in order to file a bankruptcy petition stating that it is insolvent and “that it desires to effect a plan for the composition or adjustment of its debts and to take such further proceedings” under the Bankruptcy Code. That law also states:

“No taxing subdivision shall be permitted, in availing itself of such acts of congress [the Bankruptcy Code], to scale down, cut down, or reduce the principal sum of its securities, except that interest thereon may be reduced in whole or in part.” (Section 133.36 of the Revised Code.)

The County may also initiate proceedings under the Bankruptcy Code. Because it collects, distributes or otherwise provides revenues to the School District, the School District’s financial condition could be affected by such an action.

Ohio School District Credit Enhancement Program

Certain school districts that meet State-established criteria may participate in the Ohio School District Credit Enhancement Program (the Credit Enhancement Program). The School District and the Bonds have been approved for participation in the Credit Enhancement Program.

Generally, obligations are eligible for the Credit Enhancement Program only if (a) the amount of State Education Aid (see **State School Funding System**) payments projected to be received by the school district in the current Fiscal Year exceeds by at least 2.50 times the maximum annual debt charges on the proposed obligations and on any outstanding obligations secured by a pledge of State Education Aid payments and (b) at all times during the current or any future Fiscal Year, the projected remaining State Education Aid payments to be distributed to the school district in that Fiscal Year exceed the debt charges remaining to be paid in that Fiscal Year by at least 1.25 times. Under the Credit Enhancement Program, to provide further security for the Bonds, the School District, the State Department of Education and Workforce (the Department) and the Bond Registrar will enter into on the closing date an Agreement (the Agreement) establishing a mechanism by which certain State Education Aid payments to the School District can be transferred directly to the Bond Registrar for the payment of debt charges on the Bonds if a shortfall occurs in the School District’s funding of those debt charges.

Under the Agreement, (a) at least 15 days prior to each debt charges payment date (each a Payment Date), the School District is to certify to the Bond Registrar and the Department the amount of any shortfall it has for payment of debt charges on that Payment Date and (b) at least 10 days prior to each Payment Date, (i) the School District is to deposit with the Bond Registrar the amount required for debt charges on that Payment Date and (ii) the Bond Registrar is to notify the Department if the

amount on deposit with the Bond Registrar for the payment of the debt charges due on that Payment Date is less than the amount of those debt charges. In such an event, the Department is to make a payment directly to the Bond Registrar from State Education Aid payments otherwise payable to the School District. That payment is to be made no later than one day prior to the Payment Date and in an amount equal to the lesser of (i) the amount by which money then on deposit with the Bond Registrar is less than that required to pay debt charges on that Payment Date or (ii) the State Education Aid amount due the School District for the remainder of the Fiscal Year. The Agreement is irrevocable as long as any of the Bonds are outstanding.

If State Education Aid payments are paid to the Bond Registrar pursuant to the Agreement, the Department and the School District are required to evaluate the School District's inability to pay the debt charges and to develop corrective actions to be implemented by the School District.

In accordance with the Credit Enhancement Program, the School District has covenanted that it will not pledge State Education Aid payments as primary security for any additional obligations having a claim on the State Education Aid payments on a parity with that of the Bonds unless (a) the amount of State Education Aid payments projected to be received by the School District in the current Fiscal Year exceeds by at least 2.50 times the maximum annual debt charges on the proposed obligations and on any outstanding obligations secured by a pledge of State Education Aid payments and (b) at all times during the current or any future Fiscal Year, the projected remaining State Education Aid payments to be distributed to the School District in that Fiscal Year will exceed the debt charges remaining to be paid in that Fiscal Year by at least 1.25 times. This covenant will not prevent the School District from issuing obligations having a claim on the State Education Aid payments subordinate to the claim of the Bonds.

The State Education Aid payments distributed to the School District are reflected in **State School Funding System** and in **Appendix A**. The maximum annual debt charges on the Bonds and the Series 2014 Bonds and the Series 2017A Bonds, which are covered under the Credit Enhancement Program, are reflected in **Debt Table C**.

The Department's responsibilities under the Agreement are to establish and maintain a mechanism for delivering money to the Bond Registrar that would otherwise go to the School District. They do not constitute obligations or debts of the State or pledges of the State's faith, credit or taxing power, and the holders or owners, including Beneficial Owners, of the Bonds have no right to have taxes levied or appropriations made by the General Assembly for the payment of debt charges on the Bonds. The Agreement and any payments by the State under it do not constitute the assumption by the State of any debt of the School District.

The Department's participation in the Credit Enhancement Program is solely for the purpose of enhancing the rating on and marketability of the Bonds, and should not indicate any projected possibility of the Credit Enhancement Program being called upon to perform.

Refunding

State law authorizes the refunding and advance refunding of all or a portion of the Bonds. If the School District places in escrow either money or direct obligations of, or obligations guaranteed as to payment by, the United States, or a combination of both, that with investment income thereon will be sufficient for the payment of debt charges on the refunded Bonds, those Bonds will no longer be considered to be outstanding. They will also not be considered in determining any direct or indirect limitation on School District indebtedness, and the levy of taxes to pay debt charges on them will not be required. For this purpose, direct obligations of or obligations guaranteed by the United States include rights to receive payments or portions of payments of the principal of or interest or other

investment income on (i) those U.S. obligations and (ii) other obligations fully secured as to payment by those U.S. obligations and the interest or other investment income on those obligations.

LITIGATION

To the knowledge of the appropriate School District and Board officials, no litigation or administrative action or proceeding is pending restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt charges on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, signed or delivered, or the validity of the Bonds. The District will deliver to the Underwriter a certificate to that effect at the time of original delivery of the Bonds to the Underwriter.

The School District is a party to various legal proceedings seeking damages or injunctive or other relief and generally incidental to its operations. These proceedings are unrelated to the Bonds or the security for the Bonds, or the permanent improvements being financed. The ultimate disposition of these proceedings is not now determinable, but will not, in the opinion of the appropriate District officials, have a material adverse effect on the Bonds, the security for the Bonds, or those improvements or the School District's operating revenues.

Under current Ohio law, School District money, accounts and investments are not subject to attachment to satisfy tort judgments in State courts against the School District.

See also **School District Facilities; Insurance** for an overview of the District's insurance coverage.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Bonds and with regard to certain tax matters (see **Tax Matters**) are subject to the opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the School District. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as **Appendix D**, dated and premised on law in effect on the date of issuance of the Bonds, will be delivered on the date of issuance of the Bonds. The text of the opinion to be delivered may vary from the text as set forth in **Appendix D** if necessary to reflect facts and law on the date of issuance. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to its date.

Squire Patton Boggs (US) LLP, in its capacity as Bond Counsel, has drafted those portions of this Official Statement under the captions **Certain Terms of the Bonds** (excluding certain information concerning the book-entry system there and in **Appendix E**), **Security and Sources of Payment** and **Tax Matters**.

Certain legal matters will be passed upon for the Underwriter by Frost Brown Todd LLP, Underwriter's Counsel.

Squire Patton Boggs (US) LLP, both in its capacity as Bond Counsel and as Disclosure Counsel to the School District, and others, including the Underwriter and its counsel, have assisted the School District with its preparation of certain other portions of this Official Statement and participated with responsible School District officials and staff in telephone conferences where other statements and information contained in this Official Statement were reviewed for accuracy and completeness. Bond Counsel and Disclosure Counsel and those other parties, however, have not been engaged to, and will not, independently confirm or verify such statements or information or any other

statements or information provided by the School District or others, and will not be responsible for the accuracy, completeness or fairness of any such statements or information or any other reports, financial information, offering or disclosure documents or other information pertaining to the Bonds that may be prepared or made available by the School District or others to potential or actual purchasers of the Bonds, to owners of the Bonds, including Beneficial Owners, or to others.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinions or advice are rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion or letter guarantee the outcome of any legal dispute that may arise out of the transaction.

The Board has also retained the legal services of Squire Patton Boggs (US) LLP from time to time as special counsel in connection with matters that do not relate to School District financings. That law firm also serves and has served as bond counsel for one or more of the political subdivisions that the School District territorially overlaps and also serves and has served as counsel to the Underwriter in connection with matters that do not relate to the Bonds or the School District.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the Code), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the Bonds.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the School District contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the School District's certifications and representations or the continuing compliance with the School District's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (IRS) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the **School District** may cause loss of such status and

result in the interest on the Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The School District has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market value of the Bonds.

Interest on the Bonds may be subject: (1) to a federal branch profits tax imposed on certain foreign corporations doing business in the United States; (2) to a federal tax imposed on excess net passive income of certain S corporations; and (3) to the alternative minimum tax imposed under Section 55(b) of the Code on "applicable corporations" (within the meaning of Section 59(k) of the Code). Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the School District or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the School District as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Prospective purchasers of the Bonds upon their original issuance at prices other than the respective prices indicated on the Cover, and prospective purchasers of the Bonds at other than their original issuance, should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the

exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, federal tax legislation that was enacted on December 22, 2017 reduced corporate tax rates, modified individual tax rates, eliminated many deductions, repealed the corporate alternative minimum tax that was in effect at that time, and eliminated the tax-exempt advance refunding of tax-exempt bonds and tax-advantaged bonds, among other things. Additionally, investors in the Bonds should be aware that future legislative actions might increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of holders to sell their Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (Discount Bonds) may be offered and sold to the public at an original issue discount (OID). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the issue price (described above) for that Discount Bond who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds (Premium Bonds) may be offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the existence of OID or bond premium, the determination for federal income tax purposes of the amount of OID or bond premium properly

accruable or amortizable in any period with respect to the Discount or Premium Bonds, other federal tax consequences in respect of OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

ELIGIBILITY FOR INVESTMENT AND AS PUBLIC MONEY SECURITY

To the extent that the matter as to the particular investor is governed by Ohio law, and subject to any applicable limitations under other provisions of Ohio law, the Bonds are lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies (including domestic for life and domestic not for life), trustees or other officers having charge of sinking and bond retirement or other funds of the State and State subdivisions and taxing districts, the Commissioners of the Sinking Fund, the Administrator of Workers' Compensation, and State retirement systems (Teachers, Public Employees, Public School Employees, and Police and Fire), notwithstanding any other provisions of the Revised Code or rules adopted pursuant to those provisions by any State agency with respect to investments by them.

The Bonds are acceptable under Ohio law as security for the repayment of the deposit of public money.

Beneficial Owners of the Bonds should make their own determination as to such matters as legality of investment in or pledgability of book-entry interests.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the Underwriter), at a price of \$ _____. The initial offering price of the Bonds is \$ _____; therefore, the gross underwriting spread is \$ _____ from the public offering prices of the Bonds set forth on the Cover (the Offering Prices). In its bond purchase agreement with the School District, the Underwriter has agreed to wire funds to the Bond Registrar at closing for further distribution by the Bond Registrar at closing to pay certain costs of issuance of the Bonds (\$ _____).

The Underwriter has provided the information in this Official Statement pertaining to the Offering Prices and to the offering of the Bonds in the seventh paragraph of **Regarding This Official Statement**. As noted in that paragraph, the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the Offering Prices. The Offering Prices may be changed after the initial offering by the Underwriter. The purchase of the Bonds by the Underwriter is subject to certain conditions and requires that the Underwriter will purchase all of the Bonds, if any are purchased.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the School District and to persons and entities with relationships with the School District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of

the School District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the School District.

RATINGS

Moody's Ratings (Moody's) has assigned its municipal bond ratings of "Aa1" to the Bonds with the understanding that, upon delivery of the Bonds the School District, the Bond Registrar and the Ohio Department of Education and Workforce will have entered into an agreement securing the Bonds under the Ohio School District Credit Enhancement Program. See **Ohio School District Credit Enhancement Program**.

The District applied for underlying ratings from Moody's. As a result of the application process, Moody's assigned an underlying rating of "A3".

The School District's underlying rating and the rating regarding the School District's participation in the Credit Enhancement Program have been published by Moody's. The School District has made no application for a rating to any other rating service.

The ratings reflect only the views of the rating service, and any explanation of the meaning or significance of the ratings may only be obtained from the rating service. The School District furnished to the rating service certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the School District. Generally, rating services base their ratings on such information and materials and on their own investigation, studies and assumptions.

There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating service if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market value of the Bonds.

The School District expects to furnish the rating service with information and materials that may be requested. The School District, however, assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Bonds.

TRANSCRIPT AND CLOSING CERTIFICATES

A complete transcript of proceedings and a certificate (described under **Litigation**) relating to litigation will be delivered by the School District when the Bonds are delivered by the School District to the Underwriter. The School District at that time will also provide to the Underwriter a certificate, signed by the School District officials who sign this Official Statement and addressed to the Underwriter, relating to the accuracy and completeness of this Official Statement and to its being a "final official statement" in the judgment of the Board for purposes of SEC Rule 15c2-12(b)(3).

CONTINUING DISCLOSURE AGREEMENT

The School District has agreed, for the benefit of the holders and Beneficial Owners from time to time of the Bonds, in accordance with SEC Rule 15c2-12 (the Rule), to provide or cause to be provided to the Municipal Securities Rulemaking Board (the MSRB) such annual financial information and operating data, audited financial statements and notices of the occurrence of certain events in such manner as may be required for purposes of paragraph (b)(5)(i) of the Rule (the Continuing Disclosure Agreement). See **Appendix F** for the proposed form of the Continuing Disclosure Agreement. In addition to being available on the MSRB's Electronic Municipal Market Access (EMMA) website (<http://emma.msrb.org>), the foregoing information, data and notices can be obtained from:

Patrick J. Higley
Treasurer, Board of Education
Euclid City School District, Ohio
22800 Fox Avenue
Euclid, Ohio 44123
Telephone: (216) 797-2915
Email: phigley@euclidschools.org

The performance by the School District of the Continuing Disclosure Agreement will be subject to the annual appropriation by the School District of any funds that may be necessary to perform it. The Continuing Disclosure Agreement will remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the School District remains an obligated person with respect to the Bonds within the meaning of the Rule.

The Treasurer is the designated person within the School District charged with ensuring the School District's compliance with the Continuing Disclosure Agreement. The School District expects to engage Disclosure Counsel on an annual basis to assist it in meeting the requirements of the Continuing Disclosure Agreement.

The School District believes that, in the previous five years, it has complied in all material respects with its previous undertaking entered into pursuant to the Rule.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Prior to the delivery of the Bonds, Causey Public Finance, LLC, an independent public accounting firm, will deliver a report on the mathematical accuracy of certain computations contained in schedules provided to them by the Underwriter. These computations will relate to the adequacy of the money and maturing principal amounts of the direct obligations of or obligations guaranteed as to payment by the United States held in the Escrow Fund for the payment of interest and principal payable upon their optional redemption on January 15, 2026, all in accordance with the terms of the Escrow Agreement.

BOND REGISTRAR AND ESCROW TRUSTEE

Argent Institutional Trust Company will act as bond registrar, paying agent, transfer agent and authenticating agent for the Bonds (the Bond Registrar) and as Escrow Trustee for the Refunded Bonds (the Escrow Trustee). The Bond Registrar will keep all books and records necessary for registration, exchange and transfer of the Bonds, in accordance with the terms of agreements between it and the School District.

The Bond Registrar is a trust company organized under the laws of the State of Florida. It has designated its Columbus, Ohio corporate trust office in connection with the Bonds.

On June 6, 2025, AITC, an affiliate of Argent Financial Group, Inc. (Argent), announced that it had entered into a definitive agreement to acquire the corporate trust and institutional custody business of The Huntington National Bank. The acquisition became effective as of August 31, 2025.

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THE SCHOOL DISTRICT

GENERAL INFORMATION

The School District, one of over 600 city, local and exempted village school districts in the State, provides education to grades K through 12, special education and PreK students. It is located in Cuyahoga County in northeastern Ohio, adjacent to the City of Cleveland. The School District's territory is coterminous with the territory of the City.

In the 2020 Census classifications, the School District was in the Cleveland-Elyria-Mentor Metropolitan Statistical Area (MSA), comprised of the five counties of Cuyahoga, Geauga, Lake, Lorain and Medina. It was also in the Cleveland-Akron Consolidated Statistical Area (CSA).

The School District's 2020 population was 49,710. The U.S. Census Bureau estimates that the School District's 2023 population was 48,991. See **Economic and Demographic Information – Population**. Its area is approximately 10.3 square miles. Land use, as measured by the assessed value of real property, is presented in the following table:

Percent of Assessed Valuation of Real Property	
Residential	77.08%
Commercial/Industrial	22.84
Public Utility	0.08
Agricultural	0.00
Undeveloped	(a)

(a) Included in above categories.

Source: County Fiscal Officer.

The School District's general area is served by diversified transportation facilities, including immediate access to two State and two U.S. highways and to I-90, I-71 and I-271. The District is served by Conrail and Norfolk & Western railroads and is adjacent to areas served by Amtrak, and is served by passenger air service at Cleveland Hopkins International Airport located approximately 30 miles southwest of the District, with charter and corporate air services available at Burke Lakefront Airport located on the Cleveland lakefront, and Cuyahoga County Airport, just southeast of the City (in the City of Cleveland). Public mass transit for the area is provided by the Cleveland Regional Transit Authority.

Banking and financial services are provided to the area by offices of nine commercial banks and savings and loan associations (all with their principal offices elsewhere), operating a total of 15 offices within the School District.

Two daily newspapers and one monthly newspaper serve the area. It is within the broadcast area of numerous television stations and AM and FM radio stations. Multichannel cable TV service, including educational, governmental and public access channels, is provided by Spectrum.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Baldwin-Wallace College, Case Western Reserve University, Cleveland State University, Cuyahoga Community College, John Carroll University, Kent State University, Lorain County Community

College, Ursuline College, Lakeland Community College, Oberlin College, Lake Erie College and The University of Akron.

Several acute-care hospitals, including the main hospital facilities of the Cleveland Clinic Foundation and University Hospitals Health Systems (UHHS), serve the MSA and are located within a few miles of the District. Among the hospitals serving the School District area is Euclid Hospital (a Cleveland Clinic hospital), located in the School District.

There is a variety of cultural, recreational and historical attractions in the School District. These facilities include, among others, two City-owned and maintained lakefront parks totaling 45 acres, six outdoor swimming pools, 10 playgrounds, a baseball diamond, one golf course, 24 tennis courts, two basketball courts and one ice arena. District-owned and operated facilities available to area residents include, among others, two indoor swimming pools, five playgrounds, nine baseball diamonds, 15 tennis courts and eight basketball courts. Also within the District are portions of two parks totaling 340 acres which are operated by the Cleveland Metroparks.

Within a 25-minute drive of the School District are the Cleveland Zoo (including an acclaimed Rainforest), the Rock and Roll Hall of Fame and Museum, the Great Lakes Center for Science and Technology, Severance Hall (the concert hall for the Cleveland Orchestra), the Cleveland Institute of Art, the Cleveland Institute of Music, the Cleveland Museum of Art, the Cleveland Museum of Natural History, the Greater Cleveland Aquarium, Playhouse Square (a complex of four theaters with seating for over 9,000), the Western Reserve Historical Society, the Cleveland Play House, and Karamu House, a multiracial performing arts center. These and other facilities in the area offer an extensive variety of cultural and educational programs to residents of the School District.

Professional sports are available at various facilities located in the City of Cleveland. The Gateway Sports Complex, located in the central business district of the City of Cleveland, includes Progressive Field, home of the Cleveland Guardians professional baseball franchise of the American League of Major League Baseball, and the Rocket Arena, home of the Cleveland Cavaliers professional basketball franchise of the National Basketball Association. Huntington Bank Field, located on the lakefront in downtown Cleveland, is the home of the Cleveland Browns professional football franchise of the National Football League.

In 2012, a \$600 million casino, now known as Jack Casino Cleveland, opened in a renovated facility in downtown Cleveland and in 2013, a newly renovated Hard Rock Rocksino Northfield Park, now known as MGM Northfield Park, opened in the Village of Northfield, approximately 15 miles southeast of downtown Cleveland.

BOARD AND ADMINISTRATION

The Board of Education is a body politic and corporate charged with the responsibility of managing and controlling affairs of the School District and is, with the School District, governed by the general laws of the State. The Board is comprised of five members elected for overlapping four-calendar-year terms. The present Board members are:

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Name	Began Service as Board Member in	Present Term Expires December 31	Vocation in Private Life
Evan Botzki	2024	2027	Student/Political Advocate
Gabrielle Kelly(a)	2020	2025(c)	Attorney
Tia Otoo	2024	2027	Social Worker
Pamela Turos(b)	2022	2025(c)	Communications Advisor
Selina Wright	2022	2025(c)	Social Worker

(a) President.

(b) Vice President.

(c) Ms. Kelly, Ms. Turos and Ms. Wright are each candidates for an additional term at the election to be held on November 4, 2025.

The Superintendent of Schools, appointed by the Board for a maximum term of five years, is the executive officer of the School District and has responsibility for directing and assigning teachers and other employees, assigning the pupils to the proper schools and grades, and performing such other duties as determined by the Board. The current Superintendent is Christopher Papouras, serving since August 2019, and whose present term runs to July 31, 2027. Previously, Mr. Papouras was Assistant Superintendent and Principal of the Chardon Hills Magnet School. The Superintendent's professional memberships include the Buckeye Association of School Administrators. Mr. Papouras has announced he is retiring at the end of the 2025-26 school year. The Board is in the process of identifying its next Superintendent.

The Treasurer, appointed by the Board pursuant to law, is the fiscal officer of the Board and the District. Patrick J. Higley, the present Treasurer (for a term ending in July 2027), has held that position since August 2024. Prior to assuming that position, Mr. Higley was Executive Director of Business Operations for the School District for 12½ years and Director of Operations at Vermilion Local School District for four years and served as the Site Manager for SBM Site Services at Cuyahoga Community College. The Treasurer's professional memberships include the Ohio Association of School Business Officials, its Northeast Chapter, and the Government Finance Officers Association. For a discussion of the duties of the Treasurer as fiscal officer see **Financial Matters**.

THE SCHOOL SYSTEM

General Information

For the last complete academic school year, 4,451 students were enrolled in the School District's seven schools (four elementary schools, one middle school, one high school and one Early Learning Center (hosted in Memorial Options Center)). For the last complete academic year the average class size was 24 students. See **The School System – Enrollment** and **– School District Facilities**.

The School District operates a variety of specialized educational facilities (including, among others, a planetarium, performing arts spaces in seven of the nine academic buildings, an indoor swimming pool, two indoor tracks, three synthetic turf fields, two baseball fields, two softball fields, three full-sized gymnasiums and an indoor three-court field house), one administration facility and a transportation depot which has warehouse, maintenance and trade areas and a garage facility for the grounds department.

The high school curriculum offers over 125 classes with a focus on college, career and military service preparation. Included in the course selection is a variety of honors, College Credit Plus, Career Technical and Advanced Placement classes across the core curriculum. A full range of extracurricular programs and activities is available, beginning in the elementary grades. All School District schools have media centers, lunch programs and multipurpose rooms or gyms for student activities.

Approximately 83.5% of the members of the School District's teaching staff have master's degrees. The School District's faculty has an average of 11 years' teaching experience, as compared to the statewide average of 15.6 years (as of Fiscal Year 2024).

Classroom teachers at all levels are supported by specialists in reading, guidance (grades PreK-12), technology, art, music and physical education. All elementary schools have full-time educational assistants, program coordinators and part-time program assistants.

The School District's Department of Exceptional Children has oversight of the School District's special education (PreK-12), McKinney Vento Act, Every Student Succeeds Act (ESSA) for children in foster care, Section 504 compliance, home instruction, early entrance testing, kindergarten screening and homeless families services. The Department of Exceptional Children also coordinates services for students in alternative placements including non-public, Jon Peterson Scholarships and Autism Scholarships.

The Department of Exceptional Children's team is comprised of a Director, Assistant Director, Special Education Coordinators, Preschool Coordinator, Administrative Assistants, Occupational Therapist, Speech and Language Pathologist, School Psychologists, Physical Therapist, Paraprofessionals, Board Certified Behavior Analysts, and Registered Behavior Technicians.

The School District offers a wide array of career technical programs internally and externally. The goal of the career tech program is to provide a seamless curriculum pathway beginning in the 11th grade and continuing through a two-year association degree program.

15 Career Tech Prep programs are available at the high school, including Studio Art and Visual Design, Criminal Justice, Culinary Arts, Allied Health, Welding, Teaching Professions, Robotics and Automation, Music Production and Engineering, Exercise Science and Sports Medicine, Construction Trades, Business Blueprint, Braiding and Shampooing and Urban Agriculture. Students also have access to the College Credit Plus classes through partnership with Cuyahoga Community College.

The School District also has a Job Training Coordination Program. The instructors, job trainers and other transition specialists assist students and parents in building the bridge toward independence. Students participate in various center-based and community-based work and life skills experiences.

The State of Ohio has awarded a Five-Star Rating to the School District's Early Learning Center Preschool Program for meeting the quality standards established by the Ohio Department of Job and Family Services and the Ohio Department of Education and Workforce. The support and services offered through the District's Early Learning Center provides early intervention and high quality preschool services that assist children ages 3-5 gain critical school readiness skills that are needed to succeed in kindergarten and throughout their lives.

The Early Learning Village serves students from PreK through 2nd grade, and implements a comprehensive, research-based preschool curriculum that is aligned with Ohio's Early Learning and Development Standards in all essential domains for kindergarten readiness.

The curriculum is designed to promote development in language and literacy, emergent writing, math, science, creative arts, social and emotional domains, approaches to learning and health and physical domains. Every student assigned to the Early Learning Village has daily access to transportation to and from school.

Chardon Hills Elementary serves grades K-6. It also is the home of Before and After-School programming serving children ages 5-12. All students ages 5-12 have access to the program and are bused to and from Chardon Hills Elementary. The School District has partnered with Right at School, an organization which provides opportunities and activities such as athletics, nutrition, arts and crafts as well as mentoring and tutoring.

The School District strives to address the individual needs of its identified gifted students. National standardized tests, approved by the Ohio Department of Education and Workforce, are administered by the School District to determine if a student is gifted in the following areas: superior cognitive ability, specific academic ability (math and reading/writing), creative thinking ability, and visual or performing arts ability. The School District tests all first through fifth grade students for gifted abilities. Students eligible to receive gifted services in elementary attend Chardon Hills Magnet School. Gifted programming for secondary students is offered at Central Middle School and Euclid High School.

The School District is an urban community, of which approximately 85% of students are African-American, 4% are Caucasian 4% are Hispanic and 7% fall into other categories. The School District offers an excellent educational program to all children who enter the School District. Within the student population, 64% come from single-family homes and 25% live in apartments. The median income for families is \$65,745.

The School District strives to employ teachers who have a desire to form positive relationships with children with diverse needs, and who are knowledgeable in content, classroom management and the most current teaching strategies that help each student reach his or her maximum potential.

Activity Membership – Class of 2025

Athletic Teams	43%
Community Volunteer	34
Special Interest Group Club	18
Performing Arts	18
National Honor Society	12
Club Member	11
Student Publication	8

Special honors and achievements of the Class of 2025:

- 43 of the 348 graduates earned an honors diploma.
- 8% were enrolled in one or more honors or AP courses.
- 98% were enrolled in college preparatory courses.
- 16% were honored at the annual Scholastic Achievement Banquet.
- 57% were enrolled in a career technical program and/or College Credit Plus Education Option in their senior year.

The School District participates in several chemical/alcohol prevention programs, as well as decision making, self-esteem building and mediation activities. Middle school students have a health class rotation and some students have programs conducted by a Family Liaison. High school students have health classes and various electives through the Family and Consumer Science Department, peer mediation and programs conducted by Family Resource Counselors.

The Euclid Schools Foundation was incorporated on July 17, 1991. The Foundation was organized exclusively for charitable and educational purposes to receive and maintain funds and to expend these resources to enhance the quality of education in the Euclid Public School District. In the 2024 school year, the Foundation provided \$31,000 of scholarship awards to deserving students and over \$297,000 of grants for programs, teachers and other educational needs.

Annually, the School District staff revises its One Needs Plan. The Plan focuses on elevating student achievement, strengthening community engagement, and ensuring responsible and transparent financial management. The School District central office team supports school leadership teams as they pursue instructional and collaborative strategies in pursuit of the plan targets.

In addition to the School District's actions on these areas of focus, community involvement is a tenet of the School District displayed through Board and staff involvement in various organizations. School District, Euclid Public Library and City officials meet regularly to discuss matters of mutual interest. A Board member is also appointed to serve on the City's recreation committee and another Board member appointed to the City's Tax Incentive Review Council.

The Board has invested in a number of resources to keep people updated and engaged with the School District. The School District distributes a weekly digital newsletter, hosts a podcast, maintains a School District website, as well as activity on social media including Facebook, X (formerly Twitter), and Instagram.

Historically, the State has evaluated and measured the performance of its school districts and their individual schools and annually reported the results to the public. Due to the COVID-19 pandemic (see COVID-19 Pandemic), the State government enacted legislation that, among other things, mandated that, for the 2019-20 and 2020-2021 school years, the Ohio Department of Education and Workforce not (i) publish report card ratings, (ii) assign overall letter grades to school districts and buildings, (iii) assign grades to other measures or (iv) rank school districts. Additionally, the absence of report card ratings for those school years did not enter into determinations of sanctions or penalties or create a new starting point for determinations based on ratings over multiple years.

In 2021, the State government enacted legislation changing the previously used method of evaluating and measuring school district performance and its related reporting to school districts and the public beginning with the 2021-22 school year. Further information relating the State's methodology of evaluating and measuring the performance of its school districts and their individual schools, as well as the results from year to year (including the results of the performance of the School District and its individual schools), may be obtained from the Ohio Department of Education and Workforce.

Employees

The School District has 662 full-time and 93 part-time employees. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

In Fiscal Year 2025, the Board paid from its General Fund \$49,828,556 in salaries and wages and \$17,748,021 for fringe benefits such as employer retirement systems contributions, workers' and unemployment compensation, and medical insurance premiums. The Board projects

paying \$51,379,519 in salaries and wages and \$18,592,226 for such fringe benefits from its General Fund in Fiscal Year 2026.

Of the current employees, 442 are certificated professionals (certified by the State Department of Education and Workforce) serving as classroom teachers, education specialists and administrators, of whom all have at least a bachelor's degree and 336 hold advanced degrees. The current starting salary for a teacher with a bachelor's degree is \$49,651; the maximum teacher salary (for a teacher with a master's degree plus 60 semester hours and 30 years' experience) is \$113,453. The average current salary of School District teachers is \$80,558, compared to a State average (Fiscal Year 2024) of \$68,236.

All of the School District's 402 teachers and educational specialists (excluding 40 administrators) are members of the Euclid Teachers Association (the Association) that is a labor organization affiliated with the Ohio Education Association. The present contract between the Board and the Association expires on July 31, 2027.

Of the School District's 251 full-time, classified support staff (secretarial-clerical, custodial, maintenance, transportation cafeteria and technical staff), 191 are represented for bargaining purposes by the following bargaining units:

Employees	Bargaining Unit	Contract Expires On	Number of Employees
Clerical	ESSU – Euclid School Secretaries United	06/30/2027	23
Cafeteria	Ohio Association of Public School Employees (OAPSE) Chapter 147	06/30/2027	37
Maintenance and Operations	Euclid Classified Association	06/30/2027	43
Technical	Euclid Technical Employees Association	06/30/2027	6
Aides	Ohio Association of Public School Employees (OAPSE) Chapter 128	06/30/2027	61
Security	Ohio Patrolmen's Benevolent Association	06/30/2027	21

The remaining full-time classified employees have not elected to join a bargaining unit.

The School District manages medical and prescription drug insurance for its employees on a self-insured basis, with a third-party administrator processing and paying claims. The plan is fully funded at this time.

Retirement Expenses

Present and retired employees of the School District are covered under two statewide public employee retirement (including disability retirement) systems. The State Teachers Retirement System (STRS) covers all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education and Workforce. Other eligible full-time employees are covered by the School Employees Retirement System (SERS).

STRS and SERS are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities.

The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. In 2012, the General Assembly passed five separate pension reform bills intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. Those bills applicable to STRS and SERS became effective on January 7, 2013.

The law applicable to STRS has provided for (a) no change in the School District's contribution rate with respect to its employees' earnable salaries and (b) increases in the STRS employees' contribution rate from 10% to 14% in annual increments of 1% that became effective in July in each of the years from 2013 through 2016. Among other changes and with certain transition provisions for current employees, the minimum age and service requirements for eligibility for retirement and disability benefits have been increased, the calculation of an employee's final average salary on which pension benefits are based has been revised to include the five highest years (rather than the three highest years), STRS pension benefits are being calculated on a lower, fixed formula and provisions with respect to future annual cost-of-living adjustments have been changed to reduce those adjustments to 2% (from 3%). The STRS board has also been provided with authority to make future adjustments to the member contribution rate, retirement age and service requirements, and cost-of-living adjustments as the need or opportunity arises, and depending on the funding progress. Under current law, STRS has a maximum 30-year period to amortize its unfunded accrued pension liability. According to STRS's most recent Actuarial Valuation and Review (dated as of July 1, 2024), STRS's actuarial consultant projected that the period required to fully amortize STRS's actuarial unfunded accrued liability is 10.1 years.

The law applicable to SERS has provided for no change to the School District's or SERS employees' contribution rates, future cost-of-living adjustments or the calculation of an employee's final average salary on which pension benefits (the average of the three highest years). However, among other changes and with certain transition provisions for current employees, the minimum age and service requirements for eligibility for retirement and disability benefits were increased and provisions for disability benefits and service credit purchases were revised.

The School District currently "picks-up on the pick-up" for the employee portion of STRS and SERS retirement contributions for its administrators.

In Fiscal Year 2024, employees covered by STRS contributed at a statutory rate of 14% of earnable compensation, and employees covered by SERS contributed at a statutory rate of 10% of earnable compensation. As the employer, the School District's statutory contribution rate for all of those employees has been and continues to be 14% of the same base. These employee and employer contribution rates are the maximums permitted under current State law.

As of Fiscal Year 2024, the School District had the net pension liability reported and explained in the Notes to the Fiscal Year 2024 Financial Statements.

For further information on STRS and SERS and their pension plans, see the Notes to the Fiscal Year 2024 Financial Statements. Financial and other information for STRS and SERS can also be found on the respective website for each retirement system including its Annual Comprehensive Financial Report.

Federal law requires School District employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, District employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. STRS and SERS are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

School District Facilities; Insurance

The School District's classroom and other facilities are:

Facility	Year of Construction	Number of Classrooms	Capacity(a)	Enrollment as of October 2024	Estimated Value(b)
Elementary Schools (K-5)					
Arbor	2012	32	650	385	\$23,623,000
Bluestone	2012	32	650	275	23,239,000
Chardon Hills STEM	2012	32	650	470	21,120,000
Shoreview	2012	32	650	428	24,849,000
Middle School (6-8)					
Euclid Middle	2020	45	1,225	894	(c)
High School (9-12)					
Euclid High	1966/1972/2020	102	2,040	1,502	(c)
Early Learning Village	1956/2019	24	520	469	8,849,985
Memorial Options Center	1955/2022	11	220	28	14,620,000
School Facilities not in use:					
Indian Hills(d)	1970	19	380	N/A	12,160,180

Non-classroom Facilities	Year of Construction or Purchase	Estimated Value(b)
Fordyce Administration Building	1961	\$8,030,000
Garage and Warehouse	1960	2,714,000
Old Stadium (Sparky)	1960	2,131,070
New Stadium	2019	6,855,680
Service Center	1960	2,069,000

- (a) Based on a pupil/teacher ratio of 20:1 for standard-sized classrooms. This calculation does not include building capacity spaces not designated as classrooms (i.e., gym, auditorium, swimming pool, lunch room, etc.).
- (b) Figures are based on current insurance values for replacement (building, fixtures and contents).
- (c) Euclid Middle School and Euclid High School have a combined estimated value of \$134,078,190.
- (d) Facility is leased to the Chancelight.

The current insurance value for replacement (building, fixtures and contents) of all District property is \$385,959,574. School District property is exempt from ad valorem taxation.

Property (buildings and contents), boiler and machinery, and liability and fleet insurance are provided through Ohio School Plan. Included are various other coverage plans for Inland Marine, Flood and Earthquake, Crime, Employee Benefits Liability, Employer's Stop Gap Liability, School Leaders Error and Omissions, Sexual Misconduct and Law Enforcement.

The insured value totals \$385,959,574 with a \$5,000 deductible. The general liability policy has a limit of \$1,000,000 per claim and a \$2,000,000 annual limit but there is also an umbrella policy for \$11,000,000 that covers General Liability, Employee Benefits Liability, Sexual Misconduct, Errors and Omissions and Fleet Insurance. The renewal date for the insurance policy is July 1, 2026.

Cybersecurity

The School District maintains cybersecurity coverage through Travelers Insurance Company in the amount of \$3,000,000 (Aggregate) for first- and third-party coverage with a \$25,000 retention/deductible. Within that coverage is a ransomware sublimit of \$3,000,000 (Aggregate) and cyber extortion limit of \$3,000,000.

The School District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, Systems Technology). As a recipient and provider of personal, private, or sensitive information, the School District may be the target of cybersecurity incidents that could result in adverse consequences to the School District and its Systems Technology, requiring action to mitigate the consequences. Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the School District's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

To mitigate the risk of operations impact and/or damage from cybersecurity incidents or cyberattacks, the School District invests in multiple forms of cybersecurity and operational safeguards. While School District cybersecurity and operational safeguards are periodically tested, no assurances can be given by the School District that such measures will ensure against cybersecurity threats and attacks, and any breach could damage the School District's Systems Technology and cause material disruption to the School District's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial and may exceed applicable insurance coverages. Furthermore, cybersecurity breaches could expose the School District to material litigation and other legal risks, which could cause the School District to incur material costs.

The School District experienced a cybersecurity incident in August 2025. The School District has determined that, although it was not the primary target, it was impacted by efforts directed at a School District business partner. Once the incident was detected, appropriate authorities and the School District's insurer were notified and, since that time, the School District has been working with law enforcement authorities, the School District's insurer, the School District's counsel, breach coaches and a forensic team. The School District was able to recover all data and files accessed due to the incident without the need to negotiate with any party or parties responsible for the incident. Since the incident, the School District has upgraded certain security measures and eliminated potential points of attack including closing VPN access. The investigation into the incident is ongoing, and the School District stands ready to implement additional security measures deemed necessary or appropriate. The recent cybersecurity incident is not expected to have a material impact on the School District's operations or finances going forward.

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Enrollment

The following table shows historical and projected enrollment in the District's schools.

School Year	Enrollment(a)	
	Total	1 st Grade
1980-81	6,258	311
1990-91	5,557	444
2000-01	6,082	458
2010-11	5,792	362
2020-21	3,415	298
2021-22	4,893	267
2022-23	4,755	339
2023-24	4,647	319
2024-25	4,451	316
2025-26(b)	3,953	282

(a) Actual figures are ADM (average daily membership) figures from an "at date enrollment" during annual October enrollment census.

Figures do not include VEPD students.

(b) Based on School District projections.

Certain additional School District student statistics are as follows:

School Year	Per Pupil Expenditure(a)(b)		Assessed Valuation Per Pupil(c)	
	District	State Average	District	State Average
2019-20	\$ 9,689	\$ 9,883	\$ 84,351	\$169,137
2020-21	9,743	10,334	85,120	184,467
2021-22	11,307	11,306	101,292	192,484
2022-23	13,076	11,896	103,667	200,675
2023-24	14,650	12,396	104,865	233,914
2024-25	N/A	N/A	143,975	255,340

(a) General Fund and other operating funds.

(b) As reported, iLRC (Download Center) – Ohio Department of Education and Workforce.

(c) As reported, Tax Data Series – Ohio Department of Taxation.

There are currently two parochial schools located in the School District, Ss. Robert and William and Our Lady of the Lake serving PreK-8. In addition, three community schools operate in the School District: Pinnacle Academy, Euclid Preparatory School and Noble Academy, each serving grades K-8. Approximately 2,400 School District students attended community schools for the 2024-25 school year with 1,500 of those students attending the community schools located in the School District.

Open enrollment options are available for resident students who choose to attend other public school districts that have opted to offer open enrollment. The School District does offer open enrollment. The School District's open enrollment program is not material to its operations or finances.

Charter Schools; Tuition Vouchers

In recent years, community or “charter” schools have drawn a modest number of students per year from within the School District.

The State has implemented several programs, described below, under which certain students may receive tuition vouchers to attend nonpublic schools.

Under the EdChoice Scholarship Program, certain students who would otherwise attend underperforming schools or whose families meet certain low-income guidelines may receive vouchers for tuition at nonpublic schools. Additionally, under the Jon Peterson Special Needs Scholarship Program, students with an Individualized Education Program (IEP) from their school district of residence may receive vouchers to pay for tuition at nonpublic schools and for additional services from private service providers. And, under the Autism Scholarship Program, students identified as children with autism by, and who have an IEP from, their school districts of residence may receive vouchers to attend a special education program other than the one operated by the school districts of residence.

Historically, funding for charter school students and for students in the EdChoice Scholarship, Jon Peterson, and Autism Scholarship Programs was received by the school district of the student’s residence and then diverted to the educating institution. As a result of the 2021 State Budget Act (see **State School Funding System**), these State funds are now provided directly to the educating institution, resulting in a lack of related information being readily available to the School District.

On January 4, 2022, the Ohio Coalition for Equity and Adequacy of School Funding among others, filed a complaint with the Franklin County Court of Common Pleas alleging that the EdChoice Scholarship Program was unconstitutional. On June 24, 2025, the court agreed, finding that the EdChoice Scholarship Program unconstitutionally provided funding to private schools at the expense of public schools and enjoined the program. However, in recognition of the impact of this ruling on school funding and the high likelihood of an appeal, the judgment was stayed pending such appeal, a notice of which was subsequently filed by the State. It is not currently expected that there will be a ruling on that appeal until at least 2026. Consequently, notwithstanding the court ruling, the EdChoice Scholarship Program will continue as currently implemented until such time as a final court determination is made.

Transportation

The School District provides transportation for students resident in the School District to both public schools and nonpublic schools as shown below for the 2024-25 school year. A portion of the cost of transporting nonpublic school students is reimbursed by the State under a per student/per mile formula.

Type of School	Number Transported
Public	1,343
Nonpublic	450
Charter	176
Special Education	419

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Recent Census population has been:

Year	District/City	County	PMSA/MSA
1970	71,552	1,720,835	2,418,809(a)
1980	59,999	1,498,400	2,277,949(a)
1990	54,875	1,412,140	2,202,069(a)
2000	52,717	1,393,978	2,250,871(a)
2010	48,920	1,280,122	2,077,240(b)
2020	49,710	1,264,817	2,088,251(b)
2023	48,991	1,233,088	2,158,932(b)

(a) Numbers are for the prior Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area (PMSA), which included the Counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. In 2003, the PMSA was reclassified as an MSA excluding Ashtabula County. Comparable historical Census numbers for the new MSA are not available.

(b) Population figures represent the current MSA.

2023 Census figures show the following breakdown by age groups of the population of the School District.

Under 5	5-19	20-34	35-44	45-54	55-64	65+	Total
2,501	9,599	9,097	5,748	6,593	7,325	8,128	48,991

Educational attainment for the District/City's, the County's and the MSA's population (25 years or older) is set forth in the following table.

	District/City		County		MSA	
Less than 9th Grade	622	1.8%	22,931	2.6%	39,684	2.6%
9th to 12th Grade (no diploma)	2,701	8.0	54,821	6.2	88,741	5.8
High School graduate (includes GED)	10,635	31.6	241,691	27.2	447,754	29.0
Some college, no degree	9,626	28.6	177,762	20.0	314,884	20.4
Associate degree	2,803	8.3	71,855	8.1	135,222	8.8
Bachelor degree	4,817	14.3	181,794	20.5	308,055	20.0
Graduate or professional degree	2,444	7.3	137,157	15.4	207,608	13.5

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023.

Industrial and Commercial Activity

Euclid (as used below, "Euclid" means the service area of the School District, which is coterminous with the City) has a large, defined industrial corridor with many of the businesses serving worldwide clientele.

The following describes the largest employers in Euclid and recent activities relating to those and other employers in Euclid and other recent economic and community development projects in Euclid.

Amazon. Amazon, a global leader in e-commerce and cloud computing platforms, partnered with the City and other State and local entities in redeveloping the former 125-plus-acre vacant Euclid Square Mall property into an 857,470-square-foot fulfillment distribution center. The fulfillment center opened in September 2019 and completed its first full year in 2020, employing more than 3,000 full-time workers and becoming Euclid's top employer. Additionally, several third-party transportation companies have made their home in Euclid, adding to the number of employees. In 2023, Amazon invested more than \$1.6 million into its facility, adding additional packaging equipment to produce fit-to-order packaging in order fulfillment and investing in improvements to its breakroom for its employee base.

Lincoln Electric. Euclid is the location of the world headquarters and main plant of Lincoln Electric, a world leader in the design, development and manufacture of arc welding products, robotic arc welding systems and plasma and oxyfuel cutting equipment, and which holds a leading global position in the brazing and soldering alloys market.

Since 1990, Lincoln Electric, with the assistance of the City, the County and the State, has undertaken five major expansions within Euclid. As part of an earlier expansion completed in 2008, Lincoln Electric acquired the adjacent vacant Hitachi Construction Truck Manufacturing building for the retention and expansion of its Machine/Robotics Division. The 115,000-square-foot Hitachi building was renovated into a state-of-the-art Machine/Robotics Welding Center. The building showcases the advanced robotic welding technology developed by Lincoln Electric at its Euclid headquarters campus.

In 2010, Lincoln Electric obtained the necessary approvals required to proceed with construction of a 2.5-megawatt Kenersys wind turbine on the Euclid headquarters campus. The turbine is one of the largest constructed in the State to date. It complements Lincoln Electric's business strategy of pursuing manufacturing opportunities in the wind industry and the Wind Tower Welding Solutions program, which provides welding services and products for wind tower construction. In 2012, Lincoln Electric acquired Techalloy, a Baltimore-based manufacturer of nickel alloy and stainless-steel consumables. Lincoln Electric relocated the new operations to its Euclid headquarters campus.

In 2018, Lincoln Electric completed construction of a new \$30 million Welding Technology and Training Center, which has created 40 new jobs and supplements Lincoln Electric's highly regarded welding education programs.

Additionally, Lincoln Electric launched the creation of an additive welding division. In early 2019, the company began to build-out a new additive manufacturing center at Bluestone Business Park in Euclid, near the company's headquarters. Lincoln Electric has a long-term lease for the approximately 75,000-square-foot building.

Most recently, Lincoln Electric celebrated the launch of its American-made electric vehicle charger in November 2023. The charger is a Level 3 DC fast charger platform with an output of up to 150kW. Production ramped up in 2024 when they received certifications and will be launching supporting software.

Cleveland Clinic Foundation (Euclid Hospital). Following the completion of a \$4.8 million expansion of the Emergency Department in 2007, the Cleveland Clinic Foundation has continued to make significant capital investments in Euclid Hospital. In recent years, capital improvements have included major upgrades to parking facilities, elevators and medical Chief Operating Officer (COO) at this facility. In 2019, Euclid Hospital named a new President, Dr. Teresa Dews, and new COO to lead the local facility, and continued to invest in the facility and personnel, including adding a Geriatric Behavioral Health wing. In 2022, Euclid Hospital completed a \$1 million renovation of the former Rehabilitation Building for expansion of primary care and cardiology. In

addition to this renovation, it continues to add community programming, new medical providers and investments in capital improvements including a new MRI at the hospital.

Hose Master, Inc. Hose Master, Inc. is an industrial manufacturer of corrugated and strip-wound metal hose and metal bellows and expansion joints. It is the only U.S. manufacturer capable of forming corrugated metal hose hydrostatically by utilizing a process called hydroforming, which reduces residual stresses in the hose, a common problem with mechanically formed hose. Hose Master recently expanded by purchasing a vacant building adjacent to its facility in Euclid. The facility was then upgraded to accommodate its “Expansion Joint Department.” The expansion created 40 new jobs and a payroll of \$1.2 million. In 2020 and 2021, it once again expanded its building adding warehouse space and an additional expansion for new office and production space. It has grown to more than 400 employees.

In 2023, Hose Master broke ground on a \$6.5 million, 36,700-square-foot expansion to add additional production space, expand an existing machine shop and add training and lab space.

University Hospitals Health System. In April 2015, UHHS opened its new 24,000 square-foot Euclid Health Center on Lakeshore Boulevard in Euclid. This \$11 million project replaced an outdated building with a new, state-of-the-art facility on the same site. An estimated 57 are on staff at this new facility.

Renewal Parts Maintenance. In 2015, Renewal Parts Maintenance (RPM) leased over 100,000 square feet in an industrial building located at on East 222nd Street in Euclid. A division of Mechanical Dynamics and Analysis, RPM manufactures and refurbishes steamturbine, gas-turbine and generator components for utility scale power generation. The company’s move filled a long-vacant building and brought over 50 new employees to Euclid.

HGR Inc. At the former GM Inland facility on Euclid Avenue in Euclid, HGR Inc. has started a comprehensive renovation of the building, measuring nearly one million square feet in size. HGR acquired the property in 2014. The company sells used industrial equipment and employs nearly 100 at the site. In late 2016, HGR leased over 100,000 previously vacant square feet of space to DriveTime Automotive Group, Inc., for the new company’s Midwest repair and distribution center. DriveTime employs over 80 individuals at the facility.

Bluestone Business Park. Blue Stone Business Park/Ray Fogg Building received a \$4.3 million Ohio Job Ready Site Grant and a \$1 million Brownfield Redevelopment Grant from the County for the remediation of the former PMX site and the creation of a light industrial park. After completing the necessary environmental remediation and infrastructure improvements, Fogg constructed three buildings at the park totaling over 300,000 square feet. The first building was fully leased to Remedi Senior Care and Guardian Technologies, which now together employ over 200. The second building is leased to Amazon and the third building is leased to Lincoln Electric.

In early 2019, Fogg broke ground on two additional buildings at the Park. In 2020, those buildings were occupied by The Cleveland Clinic and Consolidated Precision Products. These buildings bring the total amount of modern industrial building space at Bluestone Business Park to over 500,000 square feet. In 2021, ground was broken for Bluestone 6, a 75,000 square foot facility. In 2023, Fogg announced its intention to move forward with the construction of the final building, Bluestone 7, a 351,000 square foot light industrial building.

Former General Electric Tungsten Facility. Plans were announced in 2022 for the redevelopment of the former General Electric Tungsten facility. The proposed redevelopment included approximately \$45 million in environmental remediation, demolition and redevelopment of the site for new, 434,000 square foot light manufacturing and/or warehousing. Environmental

remediation and demolition were completed in 2023 and construction was completed in phases between 2024 and 2025 with expectations to be fully ready for market the first quarter of 2026.

Others. Aable Rents undertook an expansion project in 2016 with the addition of eight new loading docks to its facility at an estimated cost of nearly \$2 million. With over 100 employees in Euclid, Aable Rents has grown to become one of the premier event suppliers in Northeast Ohio. The company continued investment in its facility through the renovation of its existing office space.

Employment levels at BWX Technologies Nuclear Operations Group, Inc.'s facilities in Euclid have grown to more than 400 employees since the company split from Babcock & Wilcox Co. (formerly Marine Mechanical) in 2015. BWXT anticipates continued growth through 2028. BWXT has continued to invest in its two state-of-the-art facilities in Euclid, including the creation of a new x-ray testing lab. The company boasts some of the most technical and advanced manufacturing operations in the world to produce highly complex, electro-mechanical products at its facilities in Euclid. Since 2018, BWXT has invested more than \$80 million on new manufacturing equipment as part of its 43,000 square foot expansion and hired more than 50 new workers to enable manufacture of electro-mechanical components such as control rod drive mechanisms for naval nuclear reactors. Another expansion is underway to allow for an additional 33,000 square feet, representing an investment of over \$14 million. In addition, BWXT spent \$5.8 million in Euclid purchasing raw materials and component parts from Euclid-based businesses such as Lincoln Electric.

Since 2018, additional expansions have occurred at Keene Building Products (25,000 square feet), American Punch (23,000 square feet), and Terves. Investment has also occurred at community institutions including a new Middle School/High School campus and new Early Learning/ Kindergarten Village at the School District, as well as expansions at Saints Robert and William Parish and Imani Church. Euclid is also seeing major renovations and multi-million-dollar investments in multifamily buildings including Euclid Hill Villa and Vista Apartments and renovation/re-use of Braeview Manor, Rosemary Center and 1200 Babbitt.

Other notable companies to relocate to Euclid in recent years include the Pension Benefits Guarantee Corporation (consolidating several services centers), Universal Remote, Northeast Factory Direct, National Strategic Group, Intellitronix, Argo Metals, Cuyahoga Community College Transportation Innovation Center and new retail such as Pulp, Bank of America, Eagle Loans, O'Reilly's Auto, Re-New Flooring, Dollar General, That Breakfast Place, Zanzibar Soul Fusion, Omni Board Game Parlor, Bananas for Bikes, Whistle Stop Tavern and others.

Euclid Waterfront Improvements Plan. There was a period in Euclid's history when much of the lakefront hosted sizable beaches that extended border to border. Today, much of the sand and beach has been eroded, removing many of the recreational and ecological benefits of a robust and diverse shoreline. The Euclid Waterfront Improvements Plan proposes to expand public access to Lake Erie and enrich recreational opportunities along the lakefront.

The master plan for Euclid's waterfront includes extending public access along the shoreline from Sims Park to near the intersection of Lake Shore Boulevard and East 246th Street. Enhancement of Sims Park itself is a key recommendation of the plan, including physical improvements to better connect the waterfront to the Downtown Euclid business district. The plan incorporates a wide range of other amenities including a public marina, walking trails, viewing platforms, and extension of a fishing pier. The plan also recommends stabilization of the shoreline, rehabilitating the beaches and creating coastal habitat for aquatic and terrestrial wildlife.

The City took the first step in implementing the plan when it completed the reconstruction of the Euclid Fishing Pier at Sims Park in 2014. The investment of nearly \$2 million resulted in a doubling of the length of the pier and the creation of a regionally recognized amenity.

In late 2018, the City launched Phase II of the project, which calls for the stabilization of the shoreline and development of a multi-use trail along three quarters of a mile of the City's lakefront, from Sims Park east. Contracts for an aggregate of \$12,281,828 were awarded to construct improvements including the trail and a new lakefront park at East 246th Street featuring a paddlecraft sand beach for non-motorized boat launches. Construction of these improvements was completed in 2022. Additional improvements include the acquisition of six acres of permanently conserved land to expand the footprint of Sims Park as well as a planned trailhead into Sims Park from Downtown Euclid, providing a dedicated gateway and trail connection for pedestrians and bicyclists separate from motor vehicle traffic.

Construction on a new, 5.6-acre lakefront park at the eastern end of the multi-use trail began in 2023. The \$1.67 million project will grade the site, create views of Lake Erie from Lakeshore Boulevard and connect the multi-use lakefront trail to Lakeshore Boulevard. The greenspace phase of the park (known as Yuko Park) was completed in 2024. Future phases of construction include the construction of a \$10 million beach house, which will feature a bar and restaurant/lounge to enjoy views of Lake Erie, paddlecraft rental and storage and public restrooms.

In addition to creating public access, a primary objective of the waterfront development is to generate new, private investment. In 2020, the City sold two landbank lots on East 238th Street north of Lakeshore Boulevard to Amato Homes for the purpose of new residential, market-rate construction. The homes sold for \$228,900 to \$238,500. The City also is preparing the approximately 7.8-acre former St. Roberts site, just south of the waterfront development, for new residential development.

Industrial Corridor Roadway Project. The East 222nd Street Industrial Corridor Roadway Project was an important opportunity for the City to support the expansion of existing businesses and to attract new industries by creating a modern gateway for one of the largest industrial corridors in the County. The Industrial Corridor serves over 50 businesses employing in total over 5,000. The City, County and State worked with three of these businesses on expansion projects and it became apparent that the main vehicular corridor that serves these and other industries was badly in need of traffic flow improvements to better handle the increasing truck and related industrial traffic. The \$3 million modernization of the Industrial Corridor included the lowering of pavement underneath the CSX Railroad bridge, widening and addition of a turn lane, alignment of traffic lanes for better truck and commuter traffic flow and overhead utility lines relocation.

With work completed on East 222nd Street, in 2018, the City expanded the project area to include St. Clair Avenue from East 222nd Street to Babbitt Road, which included burying of utility lines and the addition of decorative crosswalks and landscaping. The project cost was \$1.5 million.

Road widening and upgraded signals also occurred at Lakeland Boulevard, Babbitt Road and East 260th Street in connection with the Amazon distribution facility and increased traffic demand. Improvements to the public-right-of-way attracted private investment and prompted new businesses to relocate, such as Ironhawk Industrial.

Other Roadway Projects. Major reinvestment in roads, sewer and waterline infrastructure has occurred in recent years throughout Euclid, including complete rebuilding of residential streets in the western neighborhoods such as Monterey Avenue. Beginning in 2018, East 222nd Street north of I-90 to Lakeshore Boulevard received a streetscape including new

pavement, sidewalks, street trees and transit waiting environment improvements. In 2021, seven waterline projects occurred on main thoroughfares throughout Euclid including one on Lakeshore Boulevard in Downtown Euclid where six tree-planted medians and other traffic calming counter measures will be installed to enhance walkability.

Euclid Avenue and East 185th Street were repaved in 2023 from end to end within the City limits. In the case of East 185th Street, the work continued into the City of Cleveland and has been complemented by a streetscape of new benches, bike racks, trash cans, trees, sidewalks, decorative crosswalks and signal upgrades. The streetlighting along both the Euclid Avenue and East 185th Street corridors, as well as Lakeshore Boulevard, were upgraded to LED fixtures in partnership with First Energy (CEI). Investment in the right-of-way complements and attracts private investment. On East 185th Street, the City is realizing a revitalization of the commercial district and has received interest on more than two acres of re-developable land proximate to The Cleveland Clinic and other major institutions. Additionally, the City invested approximately \$1 million repaving five asphalt streets and reconstructing one concrete street.

Residential Activity

Euclid, like many communities in Northeast Ohio and nationally, was significantly affected by the reduction in mortgage lending and increase in mortgage foreclosures beginning in 2008. At this time, the housing market in Euclid is showing signs of recovering. With federal and county funding, the City launched an aggressive program to remove blighted properties and stimulate private investment. Since 2009, the City has demolished over 100 residential and commercial properties. The City has also provided over 240 partially forgivable down-payment assistance loans to first-time homebuyers through a partnership with the non-profit Euclid Development Corporation. As a result of these efforts and an improving regional economy and housing market, average homes sales prices in Euclid have increased each of the last nine years. The City is one of just two communities in the County to experience compounding increasing property values since the foreclosure crisis. Pursuant to State law, the County conducts property valuations every three years with the latest update being a sexennial reappraisal occurring in 2024 resulting in the School District's tax base increasing approximately 33.6%.

New home construction has remained strong through the COVID-19 pandemic and the post-Pandemic recovery in spite of rising supply costs and interest rates. Between 2020 and 2023, 21 new, single-family homes were constructed and sold, averaging a sales price of \$243,500. One of the largest projects recently involved City Council approving the sale of a nearly 1.4-acre former elementary school property to Amato Homes in February 2021. The developer was awarded the land sale after responding to a developer's survey in Fall 2020. The homes on Wilmore Avenue include 10 new, 1,600+ square foot homes with detached rear garages to fit the context of the neighborhood. The development is less than a five-minute walk to the recently completed Euclid Middle/High School complex on East 222nd Street and is designed with modern conveniences to attract new home buyers to Euclid as well as retain residents looking to become first time homeowners or age-in-place. City Council recently approved the sale of 10 additional parcels of land for the construction of 10 new single-family homes in 2023 and 2024.

Residential neighborhoods along the lakeshore are dominated by large single-family homes. Apartment and condominium complexes rise from one sector of the lakeshore and provide unmatched views of Lake Erie and across Euclid. A variety of single-family home developments and condominiums and apartment complexes are located several miles inland from the Lake. Subdivisions such as Georgetown, Indian Hills, Beverly Hills, Scottish Highlands and Wells Place are situated there. Indian Hills Senior Community, Hilltop Retirement Village, and Gateway Retirement Community are designed to meet the needs and desires of senior citizens. Hundreds of homes surround the 18-hole Briardale Greens golf course in the heart of Euclid. Nearby, the

approximately 7.8-acre former St. Roberts site has been re-zoned for the development of new residential dwellings.

Employment and Income

The following table shows comparative employment and unemployment statistics for the indicated periods.

Year(a)	Employed in			Unemployment Rate				
	City	County	MSA	City	County	MSA	State	U.S.
2020	21,300	550,000	958,900	12.3%	10.3%	9.7%	8.2%	8.1%
2021	22,100	570,200	999,700	7.6	6.3	5.8	5.3	5.3
2022	22,500	582,100	1,024,600	5.3	4.7	4.6	4.0	3.6
2023	22,800	592,300	1,045,100	4.4	3.8	3.7	3.7	3.6
2024	23,100	599,800	1,058,000	4.5	3.9	3.8	4.3	4.0
2025								
Jan.	22,600	587,500	1,036,600	5.3	4.5	4.6	5.3	4.4
Feb.	22,700	590,200	1,040,500	5.6	5.0	5.0	5.4	4.5
Mar.	23,000	598,400	1,054,800	4.8	4.3	4.2	5.2	4.2
Apr.	23,000	598,200	1,054,000	5.2	4.5	4.4	4.9	3.9
May	22,700	589,400	1,039,200	5.7	5.0	4.8	4.7	4.0
June	23,600	614,000	1,082,700	6.1	5.1	4.9	5.1	4.4
July	23,900	620,600	1,094,600	6.4	5.4	5.2	5.5	4.6

(a) Not seasonally adjusted.

Source: Ohio Department of Job and Family Services – Bureau of Labor Market Information.

Most Euclid residents work outside Euclid. The following employers (private and public) have the largest workforces within Euclid (as of December 31, 2024):

Employer	Nature of Activity or Business	Number of W-2s Issued
Amazon Com Services LLC(a)	Retail	10,303
Lincoln Electric(a)	Arc welding products	2,903
Cleveland Clinic(a)	Hospital	1,679
The School District	Education	662(b)
The City(b)	Municipal government	537
Hose Master, Inc.(a)	Custom-designed manufacturing equipment	486
Babcock & Wilcox Nuclear Operations Division(a)	Design and manufacture of nuclear products and services for U.S. government applications	494
Eaton Industrial Corporation	Aerospace fuel systems supplier	385
Progressive Casualty Insurance Co.	Insurance and financial company	351
Remedi Senior Care	Pharmacy services	235

Source: The City's Annual Comprehensive Financial Report for Fiscal Year 2024.

(a) See **The School System - Economic and Demographic Information – Industrial and Commercial Activity**.

(b) As reported by the School District as of the date of this Official Statement; full-time only.

The 2023 median family and household incomes, as reported by the Census Bureau in its “2019-2023 American Community Survey 5-Year Estimates,” are set forth in the following table.

	2023 Median Income	
	Family	Household
District/City	\$65,745	\$48,696
County	86,863	62,823
MSA	92,627	68,507
State	90,288	69,680
United States	96,922	78,538

According to the Ohio Department of Taxation, the average federal adjusted gross income for residents within the School District filing Ohio personal income tax returns for calendar year 2022 was \$44,965, compared to the averages of \$112,498 for all Ohio school districts (for all tax returns filed, the 2022 State average for tax returns that indicated school districts was \$78,768) and \$84,176 for all school districts in the County.

The income per household in the School District/City, County and the MSA is estimated to be distributed as set forth in the following table.

Income and Benefits(a)	School District/City		County		MSA	
Less than \$10,000	2,111	9.4%	38,683	7.0%	53,192	5.7%
\$10,000 to \$14,999	1,537	6.8	28,785	5.2	41,203	4.4
\$15,000 to \$24,999	2,235	9.9	46,409	8.4	70,121	7.6
\$25,000 to \$34,999	2,451	10.9	46,060	8.3	72,783	7.8
\$35,000 to \$49,999	3,138	14.0	65,543	11.8	107,914	11.6
\$50,000 to \$74,999	4,432	19.7	94,581	17.1	157,096	16.9
\$75,000 to \$99,999	2,278	10.1	66,285	12.0	116,173	12.5
\$100,000 to \$149,999	2,861	12.7	78,866	14.2	148,379	16.0
\$150,000 to \$199,999	846	3.8	40,539	7.3	74,609	8.0
\$200,000 or more	600	2.7	48,422	8.7	85,924	9.3

(a) In 2023 inflation-adjusted dollars.

Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023.

The U.S. Census Bureau also estimates that 17.4% of people in the District/City, 16.2% of people in the County, and 13.6% of the people in the MSA have incomes that fall below the poverty level.

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Housing and Building Permits

The following is U.S. Census Bureau information concerning housing in the City, with comparative County and State statistics.

	2023 Median Value of Owner-Occupied Homes(a)	% Constructed Prior to 1940(a)	Number of Housing Units		% Change
			2010(b)	2023(a)	
City	\$114,700	16.3%	26,037	25,658	-1.5%
County	183,200	28.2	621,763	615,513	-1.0
State	199,200	19.2	5,127,508	5,271,573	+2.8

(a) Source: U.S. Census Bureau Selected Source Characteristics in the United States 2019-2023.

(b) Source: U.S. Census Bureau American Fact-Finder 2010 Census Redistricting Data (Public Law 94-171) Summary File.

County Fiscal Officer figures for average sale prices of residential property in the County and the City are shown in the following table.

Year	County	City
2020	\$166,600	\$ 92,600
2021	199,500	114,000
2022	207,900	128,000
2023	209,400	134,700
2024	228,800	144,100

The number and value of all building permits (including commercial, industrial, residential and public, and both remodeling and new construction) issued by the City in recent years were:

Year	Number	Value
2020	2,199	\$60,413,429
2021	2,680	42,725,222
2022	2,512	36,391,838
2023	2,379	49,473,515
2024	N/A	N/A

Source: City Building Department.

Utilities; Public Safety and Services

Water service within the School District is provided by the City of Cleveland Water Department and is purchased directly by the City. Sewage collection is provided by the City with sewage treatment and disposal ultimately provided by the Northeast Ohio Regional Sewer District.

Electricity is currently purchased through the Ohio Schools Council group bidding process from Constellation/FirstEnergy. Natural gas is provided by the Constellation/Enbridge.

Fire protection is provided by the City. Solid waste collection is provided through the Ohio Schools Council bidding program and is provided by Waste Management.

FINANCIAL MATTERS

Introduction

The School District's Fiscal Year corresponds with the July 1 to June 30 school year. Property taxes, including those levied to pay debt charges on the Bonds, are levied and collected on a calendar year basis.

The main sources of School District revenue have been and are property and shared income taxes and State education aid distributions. See **State School Funding System**.

The Treasurer and the Board are responsible for the major financial functions of the School District. The Treasurer is the fiscal officer and chief accounting officer and keeps the books and accurate statements of all money received and expended, and receives, invests, maintains custody of and disburses all School District money.

Other important financial functions include general financial recommendations and planning by the Treasurer, the Superintendent and the administrative staff; budget preparation by the Treasurer; and express approval of all budgeting and appropriations by the Board.

For property taxation purposes, assessment of real property is by the County Fiscal Officer subject to supervision by the State Tax Commissioner, and assessment of public utility and tangible personal property is by the State Tax Commissioner. Property taxes and assessments are billed and collected by County officials.

Budgeting, Property Tax Levy and Appropriations Procedures

Detailed provisions for budgeting, property tax levies and appropriations are made in the Revised Code, including a requirement that the School District levy a property tax in a sufficient amount, with any other money available for the purpose, to pay the debt charges on securities payable from property taxes.

The law requires generally that a subdivision prepare, and then adopt after a public hearing, a tax budget approximately six months before the start of the next Fiscal Year. The tax budget then is presented for review by a county budget commission, which is comprised of the county auditor, treasurer and prosecuting attorney in non-Charter counties. Under provisions of the Cuyahoga County Charter that took effect in January 2011, the Cuyahoga County Budget Commission is comprised of the County Executive, the County Fiscal Officer and the County Prosecuting Attorney.

A county budget commission may, however, waive the requirement for a tax budget and require more limited information. In October 2002, the Cuyahoga County Budget Commission voted to waive the requirement for future Fiscal Years and prescribed an alternative form of a tax budget information document to be used by the School District and other subdivisions in the County.

Under the Cuyahoga County Budget Commission requirements, School District budgeting for each Fiscal Year formally begins in the January prior to its start with the preparation and submission to the County Budget Commission of tax budget information for that Fiscal Year and the following calendar year. For debt service, the information is to include the net amounts of debt charges for which property tax levies must be made (after application of estimated receipts from other sources) and the portions of those levies to be inside and outside the ten-mill limitation. That tax budget information is then to be reviewed by the County Budget Commission.

As part of that review, the County Budget Commission is to determine and approve levies for debt charges outside and inside the ten-mill limitation. The Revised Code provides that “if any debt charge is omitted from the budget, the commission shall include it therein.”

The County Budget Commission is to then certify to the Board its action together with the estimate by the County Fiscal Officer of the tax rates outside and inside the ten-mill limitation. Thereafter, and before the end of the then Fiscal Year, the Board is to approve the tax levies and certify them to the proper County officials. The approved and certified tax rates are then to be reflected in the tax bills sent to property owners for the following calendar year. Real property taxes are payable in two equal installments, the first usually in January and the second in July.

The Board adopts a temporary appropriation measure each June for the ensuing Fiscal Year and a permanent appropriations measure by October for that Fiscal Year. Although called “permanent,” the annual appropriation measure may be, and often is, amended during the Fiscal Year. Annual appropriations may not exceed the County Budget Commission’s official estimates of resources, and the County Fiscal Officer must certify that the Board’s appropriation measures do not appropriate money in excess of the amounts set forth in those estimates.

State law requires that a school district set aside amounts for permanent improvements (acquisition, replacement, enhancement, maintenance or repair). Generally speaking, the set-aside requirement is 3% of the applicable formula amount for the preceding Fiscal Year multiplied by the school district’s student population for that year. See the Fiscal Year 2024 Financial Statements for more information.

Financial Reports and Audits

The School District maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Ohio Auditor of State (the State Auditor). The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

School District receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor that are generally applicable to all Ohio school districts. The records of these cash receipts and expenditures are converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Those principles, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund and for a full accrual basis of accounting for all other funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures and statements showing changes in fund balances.

The School District issued an Annual Comprehensive Financial Report (ACFR) each year for Fiscal Years 1998-2010 and 2017-2024, including General Purpose Financial Statements for Fiscal Years 1998-2002 and Basic Financial Statements for Fiscal Years 2003-2010 and 2017-2024. The ACFRs through Fiscal Year 2023 were awarded the Government Finance Officers Association’s Certificate of Achievement for Excellence in Financial Reporting, awarded to those governmental reporting agencies that comply with the GFOA reporting standards.

Audits are made by the State Auditor, or by private auditing firms (CPAs) at the direction of that officer, pursuant to Ohio law and under certain federal program requirements. No other independent examination or audit of the District’s financial records is made.

The most recent audit (including compliance audit) of the School District's accounts was completed through Fiscal Year 2024. The Basic Financial Statements of the School District for Fiscal Year 2024, set forth as **Appendix C**, have been audited by the State Auditor, as stated in their report appearing in those statements. One instance of a material weakness in internal controls for major federal programs was identified, to which the School District has provided a response with a plan for future compliance.

Annual financial reports are prepared by the School District and are filed as required by law with the State Auditor after the close of each Fiscal Year.

See **Appendix A** for an unaudited comparative cash-basis summary of general operating fund activity for the last five Fiscal Years and forecasted for Fiscal Year 2026. That summary has been prepared by the School District in comparative form from five-year financial forecasts approved by the Board and submitted to the State. See **Five-Year Forecast**. Governmental funds receipts and expenditures (cash basis) for the two prior Fiscal Years are set forth in **Appendix B**. See **Appendix C** for the District's audited Basic Financial Statements for Fiscal Year 2024, including the audit letter/reports.

The audited financial statements are public records, no consent to their inclusion is required, and no bring-down procedures have been undertaken by the State Auditor since their date.

Investments

Investments and deposits of School District funds are governed by the Uniform Depository Law (Chapter 135 of the Revised Code) applicable to all school districts. The Treasurer is responsible for those investments and deposits. Under recent and current practices, and the District's approved investment policy, in addition to deposits evidenced by interest-bearing certificates of deposit, investments are made in the State Treasurer's subdivision investment pool (STAR Ohio), federal or federal agency securities, commercial paper and money market mutual funds consisting of federal or agency securities. See also the Notes to the Fiscal Year 2024 Financial Statements at **Appendix C**.

The School District does not invest in any securities that would be characterized as derivatives or in reverse repurchase agreements and purchases all investments with the intent to hold to maturity.

Five-Year/Three Year Financial Forecast

Pursuant to State law, the School District has historically prepared a five-year financial forecast (the Five-Year Forecast) that was adopted by the Board and filed with the Ohio Department of Education and Workforce (ODEW). The Five-Year Forecast reflected three years of historical general operating fund revenues, expenditures and balances, as well as a forecast of such revenues, expenditures and balances for the then-present Fiscal Year and four additional Fiscal Years. Notes to the Five-Year Forecast accompanied the projections. The Five-Year Forecast was to be approved by the Board by a date to be determined by the State, which State-mandated deadline could not be earlier than November 30 of each Fiscal Year, and then updated between April 1 and May 31. The 2025 State Budget Act amended State law such that the School District will be required to prepare a three-year financial forecast (the Three-Year Forecast) reflecting the appropriations, revenues and fund balance assumptions contained in the budget for the current Fiscal Year and projections of expenditures, revenues and fund balance for the three succeeding Fiscal Years. The Three-Year Forecast is to be submitted to ODEW not later than August 31 of each Fiscal Year and updated not later than the last day of February of each Fiscal Year, with the initial submission to be made by October 15, 2025 for Fiscal Year 2026. The School District's most recent Forecast was approved by the Board in May 2025, and shows positive Fiscal-Year-end cash balances through Fiscal Year 2028.

GENERAL FUND

The General Fund is the School District's main operating fund, from which most expenditures are paid and into which most revenues are deposited. The General Fund receives money from many sources, but primarily from ad valorem property taxes levied by the Board, the shared municipal income tax (see **Shared Municipal Income Tax**) and the education aid distributions from the State under the State School Funding System. For details concerning general operating fund revenues, expenditures and beginning and year-end balances in Fiscal Year 2025 and other recent Fiscal Years, see **Ad Valorem Property Taxes, State School Funding System, and Appendices A, B and C.**

Other than its authority to levy ad valorem property taxes, the only tax the Board may under existing State law impose, and only if approved by the School District's electors, is a school district income tax on (i) the school district income of individuals and estates or (ii) the earned income of individuals residing in the School District.

AD VALOREM PROPERTY TAXES

Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the School District.

Collection Year	Real(a)	Public Utility(b)	Total Assessed Valuation
2021	\$618,469,070	\$30,293,700	\$ 648,762,770
2022(c)	714,295,220	32,892,320	747,187,540
2023	714,603,130	37,047,500	751,650,630
2024	714,156,500	39,733,530	753,890,030
2025(d)	964,732,890	42,715,510	1,007,448,400

(a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Fiscal Officer. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.

(b) Tangible personal property of all public utilities and real property of railroads.

(c) Reflects triennial adjustment.

(d) Reflects sexennial reappraisal.

Source: County Fiscal Officer.

Taxes collected on "Real" in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. "Public Utility" (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

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Based on County Fiscal Officer records of assessed valuations for the 2025 collection year, the largest School District ad valorem property taxpayers are:

Name of Taxpayer	Nature of Business	Total Assessed Valuation	% of Total Assessed Valuation
K&D Properties	Residential apartments	\$22,997,080	2.28%
Cleveland Electric Illuminating	Electric	22,695,900	2.25
Euclid Indian Hills, LLC	Residential apartments	19,518,770	1.94
Euclid Apartments Holdings LLC	Residential apartments	9,940,570	0.99
American Transmission	Electric transmission	9,843,560	0.98
Euclid Apts LLC	Residential apartments	9,102,010	0.90
East Ohio Gas Co.	Natural gas	8,123,080	0.81
HBP Euclid I, LLC	Manufacturing	8,086,520	0.80
Lincoln Electric Company	Arc welding products	7,327,270	0.73
Euclid Hill Preservation Owner LLC	Residential apartments	4,785,830	0.48

Pursuant to statutory requirements for sexennial reappraisals, in 2024 the County Fiscal Officer adjusted the true value of taxable real property to reflect current fair market values. These adjustments are being first reflected in the 2024 duplicate (collection year 2025) and in the ad valorem taxes distributed to the School District in 2025 and thereafter. The County Fiscal Officer is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The County Fiscal Officer completed such a triennial adjustment in 2021.

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

As a result of a phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, and a reduction of the percentages of true value of electric utility production equipment and natural gas utility property assessed for taxation, eligible school districts have received reimbursement payments from the State to account for the loss of property tax revenue. Under legislation passed by the State General Assembly in 2015, such reimbursements have been combined and are to be distributed by the State in November and May of each Fiscal Year. The School District no longer receives such reimbursements.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A**.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap all or a portion of the territory of the School District are listed below. The “(____%)” figure is that approximate percentage of a recent assessed valuation of the overlapping entity that is located within the District.

- The County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial). (2.27%)
- The City (municipal corporation responsibilities). (100%)
- Greater Cleveland Regional Transit Authority (public mass transit system). (2.27%)
- The Cleveland-Cuyahoga Port Authority (public port facilities in the Cleveland port). (2.27%)
- The Cuyahoga Community College District (two-year public higher education institution). (2.27%)
- The Cleveland Metropolitan Park District (park and recreation areas). (2.25%)
- Euclid Public Library (public library). (100%)
- The Northeast Ohio Regional Sewer District (sewerage and sewage disposal). (percentage not available)

Source: OMAC.

Each of these entities operates independently, with its own separate budget, taxing power and sources of revenue. Only the County, the City, and the RTA may, as may the District, levy ad valorem property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills) described under **Indirect Debt and Unvoted Property Tax Limitations**.

Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

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The following are the rates at which the School District and overlapping taxing subdivisions have in recent years levied ad valorem property taxes in the School District.

TAX TABLE A
Overlapping Tax Rates

Collection Year	School District	Library	City	County and Others(a)	Total
2021	105.32	5.60	13.60	22.63	147.15
2022	105.92	5.60	13.60	22.63	147.75
2023	94.07	5.60	13.60	22.63	135.90
2024	94.07	7.10	13.60	23.03	137.80
2025	93.22	7.10	13.60	23.03	136.95

(a) Includes Port Authority, Community College District and Metropolitan Park District.

Source: County Fiscal Officer.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

These procedures were instituted initially in 1976 to limit in part the effect of increasing property values on the growth of those property taxes.

The tax credit provisions do not apply to amounts realized from (i) taxes levied at whatever rate is required to produce a specified amount or an amount to pay debt charges on the Bonds as voted general obligations, (ii) taxes levied inside the ten-mill limitation, (iii) taxes provided for by a municipal charter (such as some of those of the City), or (iv) school district levies for operating purposes once the “20-mill floor” has been reached. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2025 tax collection year of 136.95 mills within the School District (within the City) is reduced by reduction factors of 0.481915 for residential/agricultural property and 0.277442 for all other real property, which results in “effective tax rates” of 70.951744 mills for residential and agricultural property and 98.954449 mills for all other real property. See **Tax Table A**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State’s General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Collections** for a discussion of reimbursements by the State to taxing subdivisions for these reductions and related changes made by that State legislation.

The following are the rates at which the School District levied property taxes for the general categories of purposes for the years shown, both inside and outside the ten-mill limitation.

TAX TABLE B
School District Tax Rates

Unvoted (Inside the Ten-Mill Limitation)

Collection Year	Total, all Operating
2021	4.62
2022	4.62
2023	4.62
2024	4.62
2025	4.62

Voted

Collection Year	Operating	Debt Retirement	Permanent Improvements(a)	Total
2021	87.10	11.10	2.50	100.70
2022	87.70	11.10	2.50	101.30
2023	76.80	10.15	2.50	89.45
2024	76.80	10.15	2.50	89.45
2025	76.80	9.30	2.50	88.60

(a) Of the 2.5 mills, 0.5 mill has been earmarked by the School District for the purpose of maintaining certain classroom facilities.

The voted levies for “Debt Retirement” continue for the life of the bonds authorized by the voters, in annual amounts sufficient to pay debt charges on those bonds as they come due.

The total School District operating millage of 81.42 mills for collection year 2025 includes voted levies aggregating 68.80, all approved by the School District voters for a continuing period of time and not requiring a renewal vote, and 8.00 mills from a fixed-dollar levy discussed below. The balance of 4.62 mills constitutes the School District’s mandated share of the unvoted 10 mills.

For collection year 2025, the School District levied an emergency levy to raise \$5,600,000 per year (requiring a levy of 8.00 mills in collection year 2025) and approved by the voters at an election held on November 3, 2020, for collection through 2030.

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

The following table presents certain information concerning the School District’s millage-based voted property tax levies for current operating expenses levied for collection year 2025, each of which is levied for a continuing period of time.

Voter Authorized	Millage Rate	
	Levied for Collection Year 2025	
	Res./Agr.	All Other
28.10	5.310619	14.035135
5.50	1.442628	2.988865
8.00	3.048888	5.145984
6.90	2.664497	4.876009
7.50	3.763867	5.300010
6.90	3.537278	4.876009
5.90	3.024629	4.169341

For collection year 2025, the School District had an effective tax rate on residential and agricultural property of 27.412406 mills (including 22.792406 for voted levies and the 4.62-mill mandated share of the unvoted 10 mills) for current operating expenses. State law establishes a “20-mill floor” for a school district’s levy for current operating expenses (excluding for this purpose emergency tax levies and other “fixed dollar” levies for operating purposes). If the School District were to reach that floor, the effect of the reduction mechanism discussed above would be negated, and the School District would receive the proceeds of 20 mills of property tax levied against all property subject to ad valorem property taxes without reduction. The effect of reaching that floor would be that the School District would receive increases in property tax receipts for operating purposes more nearly commensurate with increases in its assessed valuation. There can be no assurance whether or when the School District will reach that floor.

The School District also levied a voter-authorized 2.50-mill ad valorem property tax for the purpose of general permanent improvements at effective rates of 1.281622 mills for residential and agricultural real property and 1.766670 for all of the other real property for collection in collection year 2025.

Each levy approved for a continuing period is subject to reduction through a statutory procedure requiring both (i) a petition signed by 10% of the electors of the School District voting in the last general election (to be filed at least 60 days before the general election in any year) stating the amount of the proposed reduction and (ii) the approval of the reduction by a majority vote at the general election, with the reduction to commence at the expiration of the then-current year. No such petition has ever been filed with respect to a School District levy.

The results of issues placed before the electors of the District since 1992 are set forth in the following table.

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TAX TABLE C
Tax Issues Voted Upon
2020 through 2025 (Excluding Library)

Election Date	Purpose	Term	Mills Appearing on Ballot	Result
03/00	Current Expense – Renewal	Cont.	1.00	Failed
11/00	Permanent Improvements – Renewal	5 years	0.50	Passed
11/03	Permanent Improvements – New	Cont.	2.50	Failed
03/04	Permanent Improvements – New	Cont.	2.50	Passed
05/05	Current Expenses – New	Cont.	7.90	Failed
08/05	Current Expenses – New	Cont.	7.90	Failed
11/05	Current Expenses – New	Cont.	5.90	Passed
11/08	Emergency – New	10 years	6.90	Passed
11/09	Bonds	28 years	3.40	Passed
05/11	Current Expenses – New	Cont.	6.90	Failed
11/11	Current Expenses – New	Cont.	5.40	Failed
11/12	Emergency – New	10 years	9.00	Passed
11/16	Bonds	37 years	7.90	Passed
11/18	Emergency – Renewal	10 years	10.10	Failed
11/19	Emergency – New	10 years	8.70	Failed
03/20	Emergency – New	10 years	8.70	Failed
11/20	Emergency – New	10 years	8.70	Passed

Collections

The following are the amounts billed and collected for School District ad valorem property taxes on real and public utility property for the tax collection years shown.

Collection Year	Current Billed	Current Collected	Current % Collected	Delinquent	
				Current	Accumulated
2020	\$45,659,001	\$42,643,885	93.40%	\$3,076,466	\$7,620,897
2021	51,813,328	48,955,695	94.48	2,832,153	7,504,881
2022	55,529,598	51,966,685	93.58	3,587,201	7,915,541
2023	47,313,769	44,903,681	94.91	2,433,793	5,961,470
2024	47,432,297	44,953,500	94.77	2,575,019	5,808,917

Source: County Fiscal Officer.

Included in the “Current Billed”, “Current Collected” and “Current % Collected” figures above are payments made from State revenue sources under three Statewide real property tax relief programs – the Non-Business Credit, the Owner-Occupancy Credit and the Homestead Exemption.

The Non-Business Credit (formerly the “10% Rollback”) and the Owner-Occupancy Credit (formerly the “2.5% Rollback”) apply to all non-business properties, and reduces each property owner’s ad valorem property tax liability as to certain “qualifying levies” by 10% and, if the property is owner-occupied and the owner does not claim any other property as a primary residence, an additional 2.5%, respectively. The Non-Business Credit and Owner-Occupancy Credit and related reimbursements have been eliminated with respect to new or replacement tax levies approved at elections after September 29, 2013. “Qualifying levies” include (i) levies approved at an election held

before September 29, 2013, (ii) levies within the ten-mill limitation, (iii) levies provided for by the charter of a municipal corporation that were levied on the tax list for tax year 2013 and (iv) subsequent renewals and substitutes of such levies. See **Tax Rates**.

A Homestead Exemption is available for those who own and occupy a property as a primary residence as of January 1 in the year of application and (i) are 65 years of age or older, (ii) are totally or permanently disabled, (iii) are a military veteran with a 100% disability rating, (iv) already receive the Homestead Exemption, and have recently changed residence, or (v) a surviving spouse of a person who was totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouse was not younger than 59 or older than 65 years of age on the date of their deceased spouses' death. Those qualifying for the Homestead Exemption for the first time in 2025 must have an Ohio Adjusted Gross Income of \$40,000 or less (the amount is annually adjusted for inflation). The Homestead Exemption exempts a portion (\$28,000 for tax year 2024, increased to \$56,000 for disabled veterans with a 100% disability rating or their surviving spouses, and for surviving spouses of public service officers killed in the line of duty, with each of those amounts adjusted annually for inflation) of the homestead's market value from taxation, thereby reducing the property owner's ad valorem property tax liability.

Payments to taxing subdivisions have been made in amounts approximately equal to the Non-Business Credit and Owner-Occupancy Credits and Homestead Exemptions granted. This State assistance reflected in the School District's tax collections for 2024 was \$2,574,967 for the Non-Business Credit and Owner-Occupancy Credit and \$1,271,829 for the Homestead Exemption.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Delinquencies

The following is a general description of delinquency procedures under Ohio law, the implementation of which may vary in practice among the counties. Under the Revised Code, taxes become a lien of the State on the first day of January, annually, and continue until the taxes, including any penalties, interest or other charges, are paid. Real estate taxes and special assessments that are not paid in the year they are due are to be certified by the county auditor's office as delinquent. Any amount of a previous tax bill not paid before new tax bills are mailed for the next half of the year is considered delinquent and becomes subject to a 10% penalty. A list of delinquent properties is compiled by the county auditor (the "delinquent land duplicate"). If delinquent taxes (and special assessments) are not paid within 60 days after a copy of the county auditor's delinquent land duplicate is delivered to the county treasurer, then the county treasurer is to enforce the lien of the State that attached on January 1 of the year the taxes first became payable. Under State law (Section 323.25 of the Revised Code), the county treasurer is to enforce the lien "in the same way mortgage liens are enforced," that is, by an action in the court of common pleas for foreclosure and sale of the property in satisfaction of the delinquency. If the county treasurer fails to bring an action to enforce the lien, then the State Tax Commissioner is to do so. In addition, one year after certification of a delinquent land list, the county prosecuting attorney is authorized to institute foreclosure proceedings in the name of the county treasurer to foreclose the lien.

The property owner may arrange a payment plan with the county treasurer providing for payments over a period not to exceed five years. If payments are made when due under the plan, no further interest will be assessed against delinquent balances covered by the plan; a default in any payment under the plan or in the payment of current taxes will invalidate the taxpayer's participation in the plan. If a payment plan is not adhered to or if none is arranged, foreclosure proceedings may be initiated by the county. Mass foreclosure proceedings and sales are permitted after three years'

delinquency. Proceeds from delinquent property foreclosure sales become part of and are distributed as current collections to the taxing subdivisions.

In recent years, the State legislature has enacted several programs with respect to forestalling the foreclosure process or the forfeiture of property due to tax delinquency that may have the effect of delaying or eliminating the collection of certain property taxes. Notwithstanding the delay or loss of the tax revenues from those properties, an issuer of general obligation notes or bonds, such as the School District, remains obligated to pay the debt charges on those notes or bonds from the available revenues. See **Security and Sources of Payment**.

Of the 18,609 nonexempt parcels in the School District for collection year 2024, the number of delinquent parcels was 821 against 43 of which foreclosure proceedings were commenced.

There is no one taxpayer that accounted for more than 5% of any of the accumulated delinquencies, shown in the table above for tax collection year 2024.

Considerations Regarding Real Property Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein and which may have a materially adverse effect on the market value of the Bonds. There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Bonds, will not have a materially adverse effect on the market value or marketability of or security for the Bonds. Prospective purchasers of the Bonds should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives and court proceedings, as to all of which the School District and Bond Counsel express no opinion.

Specifically, on May 9, 2025, the Ohio Attorney General's Office certified, and on May 14, 2025, the Ohio Ballot Board voted to certify a petition title and summary of a proposed amendment to the Ohio Constitution from Citizens for Property Tax Reform, "Abolishment of Taxes on Real Property", proposing to add a new Section 14 to Article XII of the Ohio Constitution abolishing taxes on real property. The proposed amendment is limited to the abolishment of real property taxes and does not address any implications of that. In order to appear on the ballot, the petitioners must collect signatures from registered voters equal to at least 10% of the vote cast in the most recent gubernatorial election. Those signatures must come from voters in at least 44 of Ohio's 88 counties, and for each of those counties the number must equal at least 5% of the vote cast in the most recent gubernatorial election. If sufficient signatures are verified by the Ohio Secretary of State's Office at least 65 days before the election, the full text of the proposed amendment would be placed on the ballot at the next regular or general election that occurs subsequent to 125 days after the filing of such petition. At soonest, the proposed amendment could appear on the ballot at the November 3, 2026 election; however, there can be no assurance when or if the proposed amendment would be on the ballot.

Additionally, the 2025 State Budget Act contained provisions limiting a variety of levy options for school districts such as the School District after January 1, 2026. These included replacement levies, fixed-sum ("emergency") levies, substitute levies and renewals with an increase. The Governor vetoed this provision, and, on July 21, 2025, the Ohio House of Representatives voted to override the veto. In order to become law, the Ohio Senate would need to vote to override by the end of the term of the 136th General Assembly, which is December 31, 2026. The 2025 State Budget Act also included a number of other property tax related measures which were also vetoed by the Governor. It is unclear if the General Assembly intends to vote to

override any of those vetoes. If the vetoes are overridden and the provisions become law, it is possible that they could have a material impact on the School District.

On July 21, 2025, Governor DeWine formed, and announced the membership of, a Property Tax Reform Working Group. The Working Group, informally announced during the Governor's signing of the 2025 Budget Act and his related veto message, is tasked with examining issues related to how to provide meaningful property tax relief to homeowners and businesses while ensuring that funding for local schools, fire, police, EMS, libraries, and developmental disabilities is adequate. The Governor is asking the Working Group to issue a report with concrete proposals by September 30, 2025.

STATE SCHOOL FUNDING SYSTEM

The State's General Assembly has historically provided financial assistance to city, exempted village, local, municipal and joint vocational school districts as a part of its undertaking to secure a thorough and efficient system of common schools throughout the State as required by the Ohio Constitution. The levels of that financial assistance (State Education Aid) and methods used in allocating it among the school districts have been established and frequently modified in the State's biennial budget and other legislation passed by the General Assembly from time to time.

The 2025 State Budget Act extends the operation of the State Education Aid system established by the 2021 State Budget Act as previously extended by the 2023 State Budget Act, with certain changes. The 2021 State Budget Act incorporated and adopted aspects of the "Fair School Funding Plan" (FSFP), a three-year, bipartisan effort by school district board members and administrators, State legislators, trade associations and other interested parties to create a funding model that would more equitably distribute money among the State's school districts, with an emphasis on additional funds being provided by the State rather than being raised by school districts through local ad valorem property tax levies, school district income taxes or otherwise.

Under the 2025 State Budget Act, State Education Aid is estimated to modestly increase average per-pupil aid for each year of the biennium. Generally speaking, under each of the 2021 State Budget Act, 2023 State Budget Act and 2025 State Budget Act, funding was and will be increased, though the 2025 State Budget Act slows that increase from the prior State Budget Acts, with a majority of the additional revenue going to the poorest school districts in the State and with the largest per-pupil increases, on average, going to urban school districts and the largest average percentage increases going to smaller urban school districts. It is anticipated that no school district will receive less net State Education Aid under the 2025 State Budget Act than under the 2023 State Budget Act. Net State Education Aid has and will increase for almost all school districts during the biennium, modestly in most instances.

The 2021 State Budget Act made significant changes to the calculation and payment of State Education Aid, which continue under the 2025 State Budget Act. Generally speaking, students are funded where they are educated, instead of where they live. Students at community schools, STEM schools and those participating in a scholarship program (e.g. EdChoice, Autism Scholarship, Jon Peterson Special Needs Scholarship) and those participating in open enrollment are directly funded at their educating entity. This change eliminated the previous practice of deduction and transfer of funds from resident school districts to educating entities for those students. As a result, school districts with large numbers of students who leave through choice options receive less State Education Aid without the inclusion of those students.

For purposes of determining the State share of the base cost of core foundation funding, an overall base cost is calculated for each school district using formulas to create estimated base costs of (i) direct classroom instruction, (ii) instructional and student support, (iii) school district leadership

and accountability, (iv) building leadership and operations and (v) athletic co-curricular activities. The school district's calculated base cost is then to be allocated between a State share and a school district share based on the school district's "per-pupil local capacity" which is a function of its ad valorem property tax valuation per-pupil and measures of income wealth in the school district. The State share for school districts with lower ad valorem property tax valuations per-pupil and/or lower income wealth per-pupil is larger. However, in no case is the State share of the school district's calculated base cost less than 10% (maintained under the 2025 State Budget Act after being increased in the 2023 State Budget Act from 5% under the 2021 State Budget Act). The 2025 State Budget Act requires the use of Fiscal Year 2022 data to calculate the base cost, which is the same as under the 2023 State Budget Act.

Under the core foundation funding formula, in addition to the State share described above, school districts may also receive, as applicable, State Education Aid in the form of (i) targeted assistance based on relative tax valuation and income factors and student population, (ii) a weighted amount based on six categories of disabilities for special education and related services, (iii) supplemental disadvantaged pupil impact aid based on the relative proportion of a school district's students identified as economically disadvantaged, (iv) a weighted amount for each of three English learner categories, (v) gifted funds for identification, referral, professional development, coordinators and intervention specialists, (vi) a weighted amount for each of five career-technical categories and (vii) a weighted amount for career-technical education associated services. The amount of a school district's State Education Aid in the form of special education, English learner, gifted and career-technical education funding is generally to be determined in the same manner as its State share of the school district's base cost.

As provided in the 2023 State Budget Act, the 2025 State Budget Act continues to provide for private school voucher eligibility for all students in grades K-12, with the value of the EdChoice Scholarship dependent on family income. Children whose families earn up to 450% of the federal poverty level (\$135,000 for a family of four) will be able to obtain a full EdChoice Scholarship to cover costs of attending participating private schools (estimated to be \$6,165 for students in grades K-8 and \$8,407 for students in grades 9-12), with pro-rated, means-tested amounts available for families earning in excess of that amount, resulting in all K-12 students being eligible for a scholarship worth at least 10% of the maximum regardless of income. In all, the 2023 State Budget Act increased voucher funding 77% from prior voucher funding. The School District cannot predict the future impact, if any, of these changes to voucher eligibility on its student enrollment and resulting State Education Aid. See **The School System – Enrollment – Charter Schools; Tuition Vouchers** for a discussion regarding recent court ruling potentially affecting the EdChoice voucher program.

The 2023 State Budget Act renamed the Department of Education as the Department of Education and Workforce (DEW) and created the position of Director of DEW, appointed by the Governor with the advice and consent of the State Senate. Within DEW, the Division of Primary and Secondary Education and Career-Technical Education were created, each of which is headed by a Deputy Director appointed by the Director with the advice and consent of the State Senate. Most of the powers of the previous State Board of Education, and State Superintendent of Public Instruction, were transferred to DEW, excluding educator licensure, licensee disciplinary actions, school district territory transfers and certain other areas.

The School District believes applicable school funding provisions in the 2025 State Budget Act will not negatively affect the School District's State Education Aid.

There can be no assurance concerning future funding levels or systems or formulae for allocation of State Education Aid or the continuing. Funding has also been subject to adjustment during a biennium. As indicated above, the General Assembly has the power to modify the system of State school funding and has often exercised that authority. The School District cannot predict whether, when or in what form any future system of State school funding will be enacted into law.

The following table presents certain information concerning State Education Aid payments to the School District under the various State funding systems and formulae in place for the Fiscal Years indicated.

Fiscal Year	State Education Aid	State Education Aid as a % of General Operating Funds Total Revenues and Other Financing Sources(a)	State Education Aid as a % of General Operating Funds Total Expenditures and Other Financing Uses(a)
2021(b)	\$24,404,508	30.74%	34.86%
2022(b)(c)	31,417,544	36.29	36.84
2023(c)	33,365,611	33.04	38.19
2024(c)	39,249,962	40.22	43.59
2025(c)	40,054,477	42.79	42.26
2026(c)(d)	40,320,721	43.13	40.15

(a) See **Appendix A** for details regarding revenues and expenditures.

(b) See **COVID-19 Pandemic**.

(c) Reflects changes in distribution of State Education Aid, namely that State funds are being directly distributed to community schools, schools housing open enrollment students, etc., for the students enrolled in those institutions. See discussion of the 2021 State Budget Act above and **Appendix A**.

(d) Forecasted.

See **Appendix A** and the Fiscal Year 2024 Financial Statements for further information regarding other revenue sources for the General Fund and other operating funds.

It is to be noted again that the Bonds are payable from a tax levy voted for the purpose of paying debt charges. Any reduced State appropriations have no impact on that levy, and that levy's proceeds may not lawfully be used for current expenses or other purposes.

Casino Tax Revenues

In Fiscal Year 2013, the School District began receiving revenues from a tax on casino revenues imposed by the State pursuant to a vote of the electors of the State authorizing the constitutional amendment permitting four casinos to be constructed and operated in the cities of Cincinnati, Cleveland, Columbus, and Toledo.

Of the revenues from that tax, 34% are allocated to school districts in the State under a formula related to the number of pupils. The School District's shares of the proceeds of that tax, established by the constitutional amendment, were as follows in Fiscal Year 2024 and other recent Fiscal Years:

Fiscal Year	Amount
2021(a)	\$195,323
2022	285,535
2023	290,722
2024	285,481
2025	279,221

(a) See **COVID-19 Pandemic**.

SHARED MUNICIPAL INCOME TAX

In 1994 the School District was among the first to propose, and the first to be successful at the polls with, a shared municipal income tax. City and School District electors approved an 0.85% increase in the municipal income tax for current expenses. The additional tax was first collected in December 1994 and divided 55.3% to the School District (i.e., 0.47% of the 0.85% increase) and 44.7% to the City (i.e., 0.38% of the 0.85% increase).

For many years, the School District and the City were in dispute (including litigation) as to the interpretation of certain provisions of the Agreement Relating to a Shared Municipal Income Tax Pursuant to Section 718.09 of the Revised Code, dated as of July 18, 1994, related to aspects of the shared municipal income tax. In March 2025, the School District and the City entered into a Settlement Agreement and Mutual Understanding Related to the Shared Municipal Income Tax. Under the settlement, the City agreed to continue to pay to the School District 16.49% of the total income tax revenue collected from nonresident taxpayers and City residents with income not subject to any tax credit. The City also agreed to pay to the School District 30% of the of the total income tax revenue collected from City residents working outside of the City and earning income subject to any tax credit, regardless of the amount of the credit. Since the settlement, the parties have and are operating under the settlement agreement without exception.

The tax is on business income and wages and salaries of individuals who earn income in the City, and is collected and administered by the City. The same income is also subject to the City's additional 2.00% municipal income tax which the City does not share with the School District.

School District receipts from the shared municipal income tax in recent fiscal years were:

Fiscal Year	Receipts
2021	\$8,214,074
2022	8,417,503
2023	8,001,297
2024	8,775,456
2025	8,791,322
2026(a)	9,406,715

(a) Forecasted.

SCHOOL DISTRICT DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt such as the Bonds, applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the School District.

As used in the discussions that follow, the term "BANs" refers to notes issued in anticipation of the issuance of general obligation bonds.

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As further described below, the Bonds are:

- voted general obligations of the School District (certain overlapping subdivisions also may issue general obligation debt)
- subject to the 9% direct debt limitation but are not subject to the indirect debt and related property tax limitation.

The School District is not, and to the knowledge of current School District officials has not ever been, in default in the payment of debt charges on any of the bonds or notes on which the School District is obligor.

Security for General Obligation Debt; Bonds and BANs

The following describes the security for the School District's general obligation debt, such as the voted Bonds.

Voted Bonds. The basic security for voted School District general obligation bonds is the authorization by the electors for the Board to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the Board. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities).

The School District has \$124,204,990* of voted general obligation bonds outstanding. All references to the District's outstanding debt in this Official Statement exclude accretions to the value of Capital Appreciation Bonds.

Unvoted Bonds. The basic security for the limited amount of School District unvoted general obligation bonds (see **Statutory Direct Debt Limitations**) is the Board's ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the Board, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities. See the discussion under **Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for debt charges on unvoted general obligation debt of the School District and all overlapping taxing subdivisions.

The School District has no unvoted general obligation bonds outstanding.

BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the School District, or a combination

* Preliminary, subject to change.

of these sources. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

The School District has no outstanding BANs.

Statutory Direct Debt Limitations

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax (assessed) valuation, applicable to all school districts, including the School District.

- The net principal amount of both voted and unvoted debt of the School District, excluding “exempt debt” (discussed below), may not exceed 9% of the total tax (assessed) valuation of all property in the School District as listed and assessed for taxation, except in the case of a “special needs” school district. \$90,670,356* of the District’s current general obligation debt is subject to this limitation.
- The net principal amount of unvoted debt of the School District, excluding exempt debt, may not exceed 1% of that valuation, as discussed below.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

The School District’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) is also restricted by the indirect debt limitation discussed under **Indirect Debt and Unvoted Property Tax Limitations**.

The Revised Code provides as a general limitation that the net principal amount of general obligation debt of a school district incurred without a vote of the electors, in general, may not exceed 1% of the school district’s total tax valuation. A further general limitation, from which certain energy conservation and exempt debt (discussed below) may be excluded, is 1/10th of 1% of its total tax valuation, the School District at present has no outstanding unvoted debt subject to this limitation. School districts may issue unvoted general obligation debt and other debt under certain circumstances for energy conservation programs, which general obligation debt may not exceed 9/10ths of 1% of the district’s tax valuation, the School District at present has no unvoted debt subject to that limitation. Debt charges on any unvoted debt, unless paid from other sources, must be paid from the millage levied within the ten-mill limitation, resulting in a reduction in money available for operating expenses.

The Bonds will not be subject to the unvoted debt limitation, but will be generally subject to the 9% direct debt limitation, to the extent not exempt therefrom, as discussed below.

* Preliminary, subject to change.

Certain debt that the School District may issue is exempt from the 9%, 1/10th of 1%, 9/10ths of 1% and 1% direct debt limitations (exempt debt). See also the discussion in footnote (b) of the table below in this section.

The School District may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority. The School District has no such exempt debt outstanding.

BANs issued in anticipation of exempt bonds also are exempt debt.

In the calculation of debt subject to the direct debt limitations, the amount in a school district's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the Bond Retirement Fund, and based on outstanding debt and the Bonds and the current tax (assessed) valuation, the School District's voted and unvoted nonexempt debt capacities are:

Limitation(a)	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation*
9% = \$90,670,356	\$90,670,356(b)	\$ 0(b)
.1% = \$ 1,007,448	\$ 0	\$ 1,007,448
.9% = \$ 9,067,035	\$ 0	\$ 9,067,035
1% = \$10,074,484	\$ 0	\$10,074,484

- (a) The District's current tax (assessed) valuation for purposes of determining its direct debt limitations is \$1,007,448,400. See the discussion above.
- (b) Pursuant to Section 133.06(I) of the Revised Code, a school district may incur net indebtedness in excess of the 9% limitation when necessary to raise the school district's portion of the basic project cost and any additional funds necessary to participate in a project under Chapter 3318 of the Revised Code, including the cost of items designated by the Ohio School Facilities Commission as "required locally funded initiatives", the cost of other locally funded initiatives in an amount that does not exceed 50% of the district's portion of the basic project cost, and the cost for site acquisition. As a result, any portion of the otherwise nonexempt debt authorized by the School District's voters at the election on November 8, 2016, in excess of the 9% limitation is exempted from that limitation.

This is further detailed in **Debt Table A**.

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt such as the Bonds may be issued by the School District if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the School District without a vote of the electors, but subject to the 1% and 1/10th and 9/10ths of 1% limitations discussed above, unless it is exempt debt. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued), and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the School District resulting in the highest tax required for such debt charges, in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the "ten-mill limitation," is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. The 10 mills are allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the School District. For collection year 2025, the entire 10 mills was levied by the combination of the School District and taxing subdivisions overlapping the School District. For collection year 2025, the current allocation of the 10 mills (sometimes referred to as the “inside millage”) is as follows 4.62 School District, 3.88 City, 1.45 County and 0.05 mill Cleveland Metropolitan Park District. That allocation has remained constant for at least the last five years.

Because the School District is restricted in the amount of unvoted debt it can issue, the major impact of the indirect debt limitation generally results from the ability of overlapping political subdivisions to issue unvoted general obligation debt in amounts that require unvoted taxes for the payment of debt charges on that debt to be levied at a rate in excess of the rates within the ten-mill limitation allocated by statutory formula to the subdivisions. The result of a subdivision having to draw on millage to pay debt charges in an amount exceeding its allocated rate within the ten-mill limitation would be to reduce the millage within the ten-mill limitation available to the overlapping subdivisions, including the inside millage then levied by the Board for operating purposes. To the best knowledge of current School District officials, no such reduction in District inside millage has occurred since the ten-mill limitation has been in effect.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision’s unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. A law applicable to all Ohio cities and villages, however, requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on the municipality’s unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be invaded for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

The total millage theoretically required by the City and the County (the only overlapping taxing subdivisions which have issued unvoted debt) is estimated to be 7.13926 mills for 2026, the year of the highest potential debt charges requirements. There thus remains 2.86074 mills within the ten-mill limitation yet to be allocated to debt charges and available to the School District and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

Debt Outstanding

The Debt Tables attached provide information concerning the School District’s outstanding debt represented by bonds and notes, School District and overlapping subdivisions general obligation debt allocations and projected debt charges on the School District general obligation debt, including the Bonds. See **Debt Tables**.

The following table shows the principal amount of School District general obligation debt outstanding as of June 30 in the years shown.

Year	Voted	Unvoted	Total
2021	\$122,679,990	\$334,200	\$123,014,190
2022	120,924,990	228,600	121,153,590
2023	118,904,990	117,300	119,022,290
2024	116,264,990	0	116,264,990
2025	113,354,990	0	113,354,990

Bond Retirement Fund

The Bond Retirement Fund is the fund from which the School District pays debt charges on its general obligation debt and into which money required to be applied to those payments is deposited. See **Appendix B** for year-end balance, receipts and disbursements for the prior two Fiscal Years for this fund. The following table is an unaudited summary of Bond Retirement Fund receipts and disbursements (including proceeds of renewal or refunding obligations) for prior Fiscal Years and projected for the current Fiscal Year.

Fiscal Year	Receipts	Disbursements	June 30 Balance
2021	\$8,016,815	\$7,552,645	\$12,598,491
2022	8,409,683	8,119,088	12,889,086
2023	9,158,286	8,410,652	13,636,720
2024	8,012,470	7,931,880	13,717,310
2025	8,419,776	8,214,034	13,923,052
2026(a)	8,500,000	8,731,609	13,691,443

(a) Projected.

Special Obligation Debt

As discussed below, a school district may issue special obligation debt that is payable solely from certain anticipated tax revenues or other revenues and not secured by a pledge of the school district's full faith and credit or general taxing power. Special obligation debt is not subject to either the statutory direct debt limitations or to the indirect debt and property tax limitations.

Permanent Improvement Tax Anticipation Notes

A school district may issue notes in anticipation of revenues from a voted permanent improvement tax levy to pay costs of permanent improvements. These tax anticipation notes (TANs) are payable solely from the property tax revenues anticipated.

The School District has no such special obligation debt outstanding.

Cash Flow Financings

A school district may incur special obligation debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority.

The School District does not and did not at any time during the past five Fiscal Years have any such debt outstanding.

Lease Purchase Obligations; Certificates of Participation

The Revised Code provides that school districts may enter into “lease purchase agreements” to finance certain permanent improvements, such as land acquisition, office equipment, motor vehicles and facilities and improvements to facilities for school district purposes. The payments under the lease purchase agreements usually include principal and interest components, and the rights to receive those payments are sometimes securitized, marketed and sold in the form of certificates of participation. A school district’s payment obligations under a lease purchase agreement (lease purchase obligations) are subject to the annual appropriation of available funds for that purpose by the school district’s board. The lease purchase obligations and related certificates of participation do not constitute debt and are thus not subject to either the direct or indirect debt limitations.

The School District has lease purchase obligations. On September 5, 2019, the Board entered into a lease-purchase agreement to lease certain real and personal property comprising renovations and improvements to the North Wing of the High School building. Certificates of Participation (the Series 2019 Certificates), which represent proportionate interests in the base rent due under the lease-purchase agreement, were issued in the principal amount of \$12,500,000 pursuant to a trust agreement between the lessor under the lease-purchase agreement and a corporate trustee. The term of the lease-purchase agreement is renewable for successive one-year terms, subject to appropriation, each term ending on June 30 except the final term, which ends on December 1, 2049. The maximum aggregate annual lease payment due under those lease-purchase agreements is approximately \$736,050. See **Debt Table C-2 – Base Rent Schedule**.

Payments with respect to those lease purchase obligations were made through Fiscal Year 2025. For additional information concerning those lease purchase obligations and related certificates of participation, see **Debt Table C-2 – Base Rent Schedule** and the Notes to the Fiscal Year 2024 Financial Statements.

To the knowledge of current School District officials the Board has not failed to appropriate funds for any School District lease-purchase obligations.

Other Long-Term Financial Obligations

The School District has the following other long-term obligations outstanding:

- Operating leases for copier equipment. See the Notes to the Fiscal Year 2024 Financial Statements.
- Retirement obligations and net pension liability described under **Retirement Expenses**.
- Compensated absences obligations identified in Notes to the Fiscal Year 2024 Financial Statements.

The School District has no long-term financial obligations other than those described herein.

Future Financings

At this time the Board has no plans to undertake or participate in any new major capital improvement projects for which it plans to borrow additional moneys or enter into long-term financial

undertakings, or to issue any current revenue or tax anticipation notes. The Board does not plan to issue additional general obligation bonds or BANs during the next 12 months.

COVID-19 PANDEMIC

The spread of the strain of coronavirus commonly known as COVID-19 (COVID-19 or the Pandemic) began altering the behavior of businesses and people in the second half of Fiscal Year 2020 in a manner that had negative effects on global, state and local economies and, in turn, on state and local governments and their revenues and expenses.

As the initial effects of the Pandemic became known, the State reduced the aggregate State Education Aid provided to Ohio school districts in both Fiscal Years 2020 and 2021. The Pandemic also materially affected school district operations throughout the State in those Fiscal Years.

The School District was allocated federal assistance from the Elementary and Secondary School Emergency Relief (ESSER) Fund (ESSER I assistance) created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act addressing the impact that COVID-19 had on elementary and secondary schools across the nation. Public schools receiving such assistance were required to consult with and ensure the provision of, equitable services to students and teachers in nonpublic schools within their boundaries. The School District received \$2,308,897.99 of such ESSER I assistance.

Under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, signed into law on December 27, 2020, the federal government provided additional assistance through the ESSER Fund (ESSER II assistance). The School District received \$10,069,043 of such ESSER II assistance.

In March 2021, the American Rescue Plan Act of 2021 (ARPA) was enacted into federal law, allocating over \$121 billion in additional funds to K-12 education nationally (ESSER III funds). ESSER III funds were permitted to be used for essentially the same purposes as ESSER I and ESSER II, but ARPA required that at least 20% of the funds be reserved to address learning losses. The School District was awarded ESSER III assistance in the amount of \$22,490,782, to be spent through September 30, 2024. The School District utilized the funds to offset the cost of addressing learning losses and other General Fund expenditures.

The amounts of the reductions in State Education Aid and in any of its local tax sources, additional grant assistance received as well as both Pandemic-related expenses and operational cost savings resulting from the temporary school closures experienced by the School District during the pendency of the Pandemic, if any, are reflected in the information provided in this Annual Information Filing. See, e.g., **State School Funding System** and **Appendices A and B**.

The Pandemic's full effect on the School District's finances and operations, including on subsequent levels of State Education Aid and other State and federal assistance, and on the collection of local taxes, cannot be fully known.

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CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of those statements have been or will be realized. Information in this Official Statement has been derived by the School District from official and other sources and is believed by the School District to be accurate and reliable. Information other than that obtained from official records of the School District has not been independently confirmed or verified by the District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent holders or Beneficial Owners of the Bonds.

This Official Statement has been prepared and delivered by the School District and signed for and on behalf of the Board and the School District by the officials identified below.

EUCLID CITY SCHOOL DISTRICT, OHIO

By: _____
President, Board of Education

By: _____
Superintendent

By: _____
Treasurer, Board of Education

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DEBT TABLE A

Principal Amounts of Outstanding Debt; Leeway for Additional Debt within Direct Debt Limitations (a)

A. Total debt:				\$124,204,990
B. Exempt debt:				\$ 3 3,534,634
C. Total nonexempt debt [A minus B]:				\$ 90,670,356(b)
D. Unvoted debt limitations:	1% of tax (assessed) valuation	1/10th of 1% of tax (assessed) valuation	9/10ths of 1% of tax (assessed) valuation	
	\$10,074,484	\$1,007,448	\$9,067,035	
E. Total nonexempt limited tax bonds and notes outstanding:	1% of tax (assessed) valuation	1/10th of 1% of tax (assessed) valuation	9/10ths of 1% of tax (assessed) valuation	
Bonds	\$ 0	\$ 0	\$ 0	
Notes	\$ 0	\$ 0	\$ 0	
F. Debt leeway within unvoted debt limitations [D minus E]:	\$10,074,484*	\$1,007,448*	\$9,067,035*	
G. 9% of tax (assessed) valuation (voted and unvoted debt limitation):				\$90,670,356
H. Total nonexempt bonds and notes outstanding:				
Bonds		\$90,670,356(b)		
Notes		\$ 0	\$90,670,356(b)	
I. Debt leeway within 9% debt limitation [G minus H]:				\$ 0*

* Debt leeway in this table determined without considering money in the Bond Retirement Fund.

(a) The District's current tax (assessed) valuation for purposes of determining its direct debt limitations is \$ 1,007,448,400. See **School District Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations**.

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

DEBT TABLE B

Various School District and Overlapping GO Debt Allocations (Principal Amounts)

	Amount	Per Capita(a)	% of District's Current Assessed Valuation(b)
District Nonexempt GO Debt	\$ 90,670,356	\$1,850.76	9.00%
Total District GO Debt (exempt and nonexempt)	124,204,990	2,535.26	12.33
Highest Total Overlapping GO Debt(c)	146,564,408	2,991.66	14.55

(a) Based on 2023 Census population of 48,991.

(b) The District's current assessed valuation is \$1,007,448,400.

(c) Includes, in addition to "Total District GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of October 28, 2025), resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within the District (% figures are resulting percent of total debt of subdivisions allocated to the District in this manner), as follows:

\$ 6,178,827 County (2.27%);
\$12,151,000 City (100.00%); and
\$ 4,029,591 Cuyahoga Community College (2.27%)

Source of tax (assessed) valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC.

DEBT TABLE C-1

Projected Debt Charges Requirements on School District GO Debt

Calendar Year	Bonds	Outstanding Bonds	Total, All paid from Unlimited Ad Valorem Taxes*
2026	\$1,741,833.75	\$6,125,096.25	\$7,866,930.00
2027	1,761,350.00	5,876,293.75	7,637,643.75
2028	3,199,950.00	4,401,068.75	7,601,018.75
2029	4,648,350.00	2,832,593.75	7,480,943.75
2030	4,658,250.00	2,822,443.75	7,480,693.75
2031	3,040,850.00	4,657,137.50	7,697,987.50
2032	2,782,750.00	4,874,206.25	7,656,956.25
2033	3,149,850.00	4,479,643.75	7,629,493.75
2034	2,936,050.00	4,808,768.75	7,744,818.75
2035	3,252,150.00	4,460,706.25	7,712,856.25
2036	1,082,625.00	6,720,131.25	7,802,756.25
2037	1,080,375.00	6,830,500.00	7,910,875.00
2038	3,442,500.00	4,277,778.13	7,720,278.13
2039	3,445,750.00	2,072,937.50	5,518,687.50
2040	3,491,250.00	2,067,437.50	5,558,687.50
2041	3,493,625.00	2,067,037.50	5,560,662.50
2042	3,488,750.00	2,066,637.50	5,555,387.50
2043	3,593,625.00	2,066,237.50	5,659,862.50
2044	3,592,625.00	2,065,837.50	5,658,462.50
2045	0.00	5,921,737.50	5,921,737.50
2046	0.00	5,979,537.50	5,979,537.50
2047	0.00	5,989,337.50	5,989,337.50
2048	0.00	5,987,037.50	5,987,037.50
2049	0.00	6,105,137.50	6,105,137.50
2050	0.00	6,098,337.50	6,098,337.50
2051	0.00	6,093,737.50	6,093,737.50
2052	0.00	6,149,737.50	6,149,737.50
2053	0.00	6,124,543.75	6,124,543.75
2054	0.00	6,122,025.00	6,122,025.00

* Preliminary; subject to change; assumes the Bonds have estimated interest rates ranging from 4.000% to 5.000% per year; subject to change, based on actual sale.

DEBT TABLE C-2

Base Rent Schedule

Calendar Year	Total Base Rent
2025	\$512,325.00
2026	733,050.00
2027	736,050.00
2028	733,450.00
2029	735,450.00
2030	731,850.00
2031	732,850.00
2032	733,250.00
2033	733,050.00
2034	732,250.00
2035	735,850.00
2036	733,650.00
2037	730,850.00
2038	732,450.00
2039	733,250.00
2040	733,250.00
2041	732,450.00
2042	730,850.00
2043	733,450.00
2044	735,050.00
2045	735,650.00
2046	731,600.00
2047	732,100.00
2048	732,000.00
2049	731,300.00

DEBT TABLE D

Outstanding GO Bonds and Special Obligation (Non-GO) Debt

The following debt is reflected in **Debt Tables A, B and C**.

Outstanding General Obligation Bonds

The following debt is reflected in **Debt Tables A, B and C-1**

Issue	Date of Issuance	Final Maturity	Original Principal Amount	Outstanding Principal Amount
Voted GO Bonds:				
Taxable Classroom Facilities and School Improvement Tax Credit Bonds, Series 2010C	03/04/2010	2026	\$15,165,000	\$ 1,385,000
Classroom Facilities and School Improvement Refunding Bonds, Series 2014	09/10/2014	2038	21,399,996	14,244,996
Classroom Facilities and School Improvement Bonds, Series 2017A	03/08/2017	2054	75,000,000	49,515,000
Classroom Facilities and School Improvement Bonds, Series 2017B	03/08/2017	2032	11,679,994	4,014,994
Classroom Facilities and School Improvement Bonds, Series 2017C	03/22/2017	2046	9,110,000	4,960,000
The Bonds*	10/28/2025	2044	38,130,000	38,130,000
Total Voted GO Bonds:				\$112,249,990

Outstanding Lease-Purchase Obligations

The following obligations are reflected in **Debt Table C-2**

Issue	Date of Issuance	Final Maturity	Original Principal Amount	Outstanding Principal Amount
Certificates of Participation, Series 2019	09/05/2019	2049	\$12,500,000	\$11,955,000

* Preliminary, subject to change.

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APPENDIX A

Historical Revenues and Expenditures General Operating Funds Fiscal Years 2021 through 2025 and Forecasted Fiscal Year 2026(a)(b)

The figures in the table below are based on the School District's five-year financial forecasts as reported to the State as required by Section 5705.391 of the Revised Code (the most recent of which was last updated in May 2025), with updates for Fiscal Years 2025 and 2026 as provided by the Treasurer.

	2021	2022	2023	2024	2025	Forecasted 2026
Revenue:						
General Property Tax (Real Estate)	\$33,542,215	\$37,799,966	\$ 35,734,840	\$32,413,960	\$32,782,795	\$ 33,409,951
Tangible Personal Property Tax	2,596,483	2,928,742	3,104,082	3,193,718	3,273,531	3,189,487
Income Tax	8,214,074	8,417,503	8,001,297	8,775,456	9,567,972	9,406,715
Unrestricted Grants-in-Aid(c)	21,020,531	25,725,790	26,718,948	32,439,143	33,504,869	33,878,892
Restricted State Grants-in-Aid(c)	3,383,977	5,691,754	6,646,663	6,810,819	6,336,278	6,441,829
Property Tax Allocation	3,958,512	4,066,333	3,669,811	3,248,306	3,256,445	3,247,041
All Other Revenues	5,565,318(d)	1,521,694	3,577,849	4,129,721	4,066,144	3,635,317
Total Revenues	\$78,281,110	\$86,151,782	\$ 87,453,490	\$91,011,123	\$92,788,038	\$ 93,209,232
Other Financing Sources:						
Operating Transfers-In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Advances-In(g)	430,759	0	13,466,249	6,565,612	1,421,877	250,000
All Other Financing Sources	690,015	413,325	78,415	15,081	17,740	22,485
Total Other Financing Sources	\$ 1,120,774	\$ 413,325	\$ 13,544,664	\$ 6,580,693	\$ 1,439,617	\$ 272,485
Total Revenues and Other Financing Sources	\$79,401,884	\$86,565,107	\$100,998,154	\$97,591,816	\$94,227,654	\$ 93,481,717
Expenditures:						
Personal Services	\$35,197,404	\$38,968,214	\$ 41,310,864	\$43,242,467	\$49,828,556	\$ 51,379,519
Employees' Retirement/ Insurance Benefits	13,544,832	13,884,160	14,772,947	16,060,120	17,748,021	18,592,226
Purchased Services	15,711,115	16,984,274	19,561,216	24,264,272	21,599,698	25,294,397
Supplies and Materials	1,419,300	1,802,536	2,070,467	2,267,587	3,051,184	2,671,547
Capital Outlay	136,603	51,313	92,923	45,988	86,971	94,971
Debt Service: Principal – HB 264 Loans	570,376	585,374	600,380	846,529	507,925	734,650
Other Objects	1,097,642	1,278,719	1,515,452	1,227,035	1,282,486	1,305,563
Total Expenditures	\$67,677,272	\$73,554,590	\$ 79,924,249	\$87,953,998	\$94,104,841	\$100,072,872
Other Financing Uses						
Operational Transfers - Out	\$ 316,258	\$ 286,100	\$ 793,830	\$ 696,117	\$ 2,947,484	\$ 100,000
Advances-Out(f)	2,019,624	11,446,625	6,650,624	1,397,600	10,245,913(g)	250,000
All Other Financing Uses	0	0	0	0	0	0
Total Other Financing Uses	\$ 2,335,882	\$11,732,725	\$ 7,444,454	\$ 2,093,717	\$ 13,193,397	\$ 350,000
Total Expenditures and Other Financing Uses	\$70,013,154	\$85,287,315	\$ 87,368,703	\$90,047,715	\$ 107,298,237	\$100,422,872
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 9,388,730	\$ 1,277,792	\$ 13,629,450	\$ 7,544,101	\$(13,070,583)	\$(6,941,155)
Cash Balance July 1 - Excl Proposed Renewal/Replacement and New Levies	\$12,763,852(e)	\$23,354,870(e)	\$ 24,632,662	\$38,262,112	\$45,806,213	\$32,735,630
Cash Balance June 30	\$22,152,582	\$24,632,662	\$ 38,262,112	\$45,806,213	\$32,735,630	\$25,794,475

(a) Numbers may not foot due to rounding.

(b) See **COVID-19 Pandemic**.

(c) Increase in "Restricted Grants-in-Aid" is due primarily to an adjustment in State reporting standards, commencing in Fiscal Year 2022, requiring that receipt of certain State Education Aid, including but not limited to, Disadvantaged Pupil Impact Aid, Career Technical, Gifted Students, English Learners and Student Wellness and Success funding, be reflected in "Restricted Grants-in-Aid" instead of in "Unrestricted Grants-in-Aid," as was the case in prior Fiscal Years; "Unrestricted Grants-in-Aid" amounts also reflect a correlated decrease.

(d) Reflects non-recurring workers' compensation rebate and Medicaid settlements totaling approximately \$3.3 million.

(e) Beginning Balance restated.

(f) "Advances-Out" generally represent interfund loans by the General Fund to other funds that are necessary due to the timing of receipt of reimbursements in State and federal aid, as well as to cover budgetary deficits in other funds. "Advances-In" are the repayment of these interfund loans, which occurs within the following fiscal year.

(g) Reflects transfers of \$9,314,513 to grant funds See also **Appendix B-2**.

APPENDIX B-1

Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2024(a)

Description	Beginning Balance	Receipts	Expenditures	Ending Balance
General Fund	\$38,141,733	\$97,591,816	\$89,927,336	\$45,806,212
Bond Retirement	13,636,720	8,012,470	7,931,880	13,717,310
Permanent Improvement	1,327,356	1,611,079	1,181,326	1,757,109
Building	1,370,131	345,229	833,974	881,386
Replacement	591	39,819	22,752	17,658
Food Services	3,724,876	3,291,589	3,161,490	3,854,975
Special Trusts	123,426	113,142	164,891	71,677
Classroom Facilities	199,798	575,873	581,925	193,747
Customer Services	19,631	259,456	264,295	14,792
Rotary	44,497	237,531	230,719	51,309
Public School Support	57,566	49,552	61,613	45,505
Other Grants	258,562	197,069	79,754	375,877
Agency Accounts	225,962	22,101	35,227	212,836
Health Reserve	8,170,539	11,738,904	12,827,099	7,082,344
Workers Compensation	2,778,534	147,255	333,307	2,592,482
Facilities Maintenance	2,286,027	544,439	1,034,033	1,796,433
Termination Benefits	40,441	0	11,735	28,706
Student Managed Account	55,314	46,001	41,868	59,447
District Managed Account	105,298	338,401	336,248	107,451
Auxiliary Services	148,266	727,052	816,385	58,932
ECE Grant	0	388,951	388,951	0
Agriculture Education	0	2,748	2,748	0
ECE Preschool Grant	545,599	544,461	928,935	161,125
ESSER	1,258,308	10,384,563	11,029,529	613,342
21 st Century	0	471,295	471,079	216
Title VI-B IDEA	234,221	2,131,023	2,313,145	52,099
Head Start	0	476,068	463,922	12,146
Title I SSI	15,000	138,301	152,771	530
Title III LEP	160	0	0	160
Title I - Disadvantaged	65,717	3,224,509	3,255,459	34,767
Title IVA Student	57,437	470,931	507,019	21,348
IDEA Early Childhood	13,076	39,244	53,679	(1,360)(b)
Improving Teacher Quality	53,213	399,272	448,440	4,045
Misc. Federal Grants	188,385	0	188,385	0
Totals	\$75,146,385	\$144,560,149	\$140,081,924	\$79,624,610

(a) Numbers may not foot due to rounding.

(b) Negative balances reflect grant disbursements to be recovered during the subsequent Fiscal Year.

APPENDIX B-2

Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2025(a)

Description	Beginning Balance	Receipts	Expenditures	Ending Balance
General Fund	\$45,806,212	\$94,227,654	\$107,298,237	\$32,735,630
Bond Retirement	13,717,310	8,419,776	8,214,034	13,923,053
Permanent Improvement	1,757,109	4,047,284	1,346,033	4,458,360
Building	881,386	3,329,316	4,041,674	169,028
Replacement	17,658	39,632	21,057	36,233
Food Services	3,854,975	2,774,770	3,500,049	3,129,697
Special Trusts	71,677	494,252	289,128	276,801
Classroom Facilities	193,747	0	0	193,747
Customer Services	14,792	161,939	139,610	37,121
Rotary	51,309	261,855	243,001	70,163
Public School Support	45,505	50,313	56,513	39,306
Other Grants	375,877	161,986	82,796	455,067
Agency Accounts	212,836	123,825	5,578	331,083
Health Reserve	7,082,344	11,722,845	12,054,806	6,750,383
Workers Compensation	2,592,482	173,705	284,100	2,482,086
Facilities Maintenance	1,796,433	536,699	480,277	1,852,855
Termination Benefits	28,706	0	10,436	18,270
Student Managed Account	59,447	62,748	50,577	71,618
District Managed Account	107,451	241,338	320,720	28,069
Auxiliary Services	58,932	738,998	740,884	57,046
ECE Grant	0	914,890	486,299	428,591
Agriculture Education	0	7,299	4,899	2,400
ECE Preschool Grant	161,125	56,810	188,019	29,916
ESSER	613,342	3,324,476	3,937,818	0
21 st Century	216	753,784	454,000	300,000
Title VI-B IDEA	52,099	3,770,532	1,799,565	2,023,067
Head Start	12,146	229,179	241,325	0
Title I SSI	530	130,173	115,209	15,495
Title III LEP	160	2,460	0	2,620
Title I - Disadvantaged	34,767	6,598,004	3,364,549	3,268,223
Title IVA Student	21,348	617,573	369,092	269,829
IDEA Early Childhood	(1,360)(b)	77,404	34,120	41,924
Improving Teacher Quality	4,045	684,857	493,824	195,078
Misc. Federal Grants	0	3,000,000	0	3,000,000
Totals	\$79,624,610	\$147,736,378	\$150,668,231	\$76,692,756

(a) Numbers may not foot due to rounding

(b) Negative balances reflect grant disbursements to be recovered during the subsequent Fiscal Year.

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APPENDIX C

Basic Financial Statements from the School District's Financial Report for Fiscal Year 2024 (Audited)

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
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INDEPENDENT AUDITOR'S REPORT

Euclid City School District
Cuyahoga County
651 East 222nd Street
Euclid, Ohio 44123

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Euclid City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, Cuyahoga County, Ohio as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and the Elementary and Secondary School Emergency Relief Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are 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 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 31, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 31, 2024

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Euclid City School District

Statement of Net Position June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 75,296,802	\$ 3,869,768	\$ 79,166,570
Income Taxes Receivable	1,151,565	-	1,151,565
Property Taxes Receivable	53,604,506	-	53,604,506
Accounts Receivable	310,432	-	310,432
Accrued Interest Receivable	364,907	-	364,907
Intergovernmental Receivable	3,337,716	-	3,337,716
Materials and Supplies Inventory	26,371	26,654	53,025
Prepaid Items	256,524	-	256,524
Net OPEB Asset	5,763,407	-	5,763,407
Nondepreciable Capital Assets	4,030,786	-	4,030,786
Depreciable/Amortized Capital Assets, Net	214,924,779	246,330	215,171,109
Total Assets	359,067,795	4,142,752	363,210,547
DEFERRED OUTFLOWS OF RESOURCES			
Deferral on Refunding	184,768	-	184,768
Pension	21,635,784	367,226	22,003,010
OPEB	4,280,564	292,103	4,572,667
Total Deferred Outflows of Resources	26,101,116	659,329	26,760,445
LIABILITIES			
Accounts Payable	1,510,313	30,536	1,540,849
Contracts Payable	375,817	-	375,817
Accrued Wages and Benefits	9,961,111	17,844	9,978,955
Intergovernmental Payable	1,821,192	13,915	1,835,107
Accrued Interest Payable	2,367,562	-	2,367,562
Unearned Revenue	534,040		534,040
Long-term Liabilities:			
Due within one year	5,483,061	10,660	5,493,721
Due in more than one year:			
Net Pension Liability	81,023,624	1,472,981	82,496,605
Net OPEB Liability	5,239,437	448,517	5,687,954
Other Amounts	135,447,748	19,481	135,467,229
Total Liabilities	243,763,905	2,013,934	245,777,839
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	44,336,845	-	44,336,845
Payments in Lieu of Taxes	33,434	-	33,434
Pension	5,960,014	20,704	5,980,718
OPEB	9,692,735	417,147	10,109,882
Total Deferred Inflows of Resources	60,023,028	437,851	60,460,879
NET POSITION			
Net Investment in Capital Assets	84,943,350	246,330	85,189,680
Restricted:			
Capital Projects	3,152,551	-	3,152,551
Debt Service	11,139,514	-	11,139,514
Set-Asides	476,511	-	476,511
Classroom Facilities Maintenance	1,796,433	-	1,796,433
State Funded Programs	170,602	-	170,602
Federally Funded Programs	24,929	-	24,929
Student Activities	113,343	-	113,343
OPEB	5,763,407	-	5,763,407
Other Purpose	488,828	-	488,828
Unrestricted	(26,687,490)	2,103,966	(24,583,524)
Total Net Position	\$ 81,381,978	\$ 2,350,296	\$ 83,732,274

See accompanying notes to the basic financial statements.

Euclid City School District

Statement of Activities For the Fiscal Year Ended June 30, 2024

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 37,273,787	\$ 299,771	\$ 4,569,444	\$ -
Special	19,926,943	181,199	11,507,921	-
Vocational	3,731,763	-	544,231	-
Other	-	-	170,309	-
Supporting Services:				
Pupils	10,873,222	-	7,604,529	-
Instructional Staff	4,060,395	-	1,812,142	-
Board of Education	78,692	-	-	-
Administration	6,853,582	-	761,205	-
Fiscal Services	2,832,795	-	18,969	-
Business	703,963	-	-	-
Operation and Maintenance of Plant	11,242,558	-	-	132,250
Pupil Transportation	7,325,144	130,669	1,728,967	-
Central	3,035,562	-	74,696	-
Operation of Non-Instructional Services				
Community Services	1,656,206	-	1,296,406	-
Extracurricular Activities	1,470,002	184,174	38,425	-
Interest and Fiscal Charges	5,999,982	-	-	-
Total Governmental activities	\$ 117,064,596	\$ 795,813	\$ 30,127,244	\$ 132,250
Business-type activities:				
Food Services	2,879,156	144,454	3,027,946	-
Customer Services	94,555	108,050	1,650	-
Total Business-type activities	2,973,711	252,504	3,029,596	-
Totals	\$ 120,038,307	\$ 1,048,317	\$ 33,156,840	\$ 132,250

General Revenues:

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

Transfers

Total General Revenues
Change in Net Position
Net Position - Beginning of Year
Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (32,404,572)	\$ -	\$ (32,404,572)
(8,237,823)	-	(8,237,823)
(3,187,532)	-	(3,187,532)
170,309	-	170,309
(3,268,693)	-	(3,268,693)
(2,248,253)	-	(2,248,253)
(78,692)	-	(78,692)
(6,092,377)	-	(6,092,377)
(2,813,826)	-	(2,813,826)
(703,963)	-	(703,963)
(11,110,308)	-	(11,110,308)
(5,465,508)	-	(5,465,508)
(2,960,866)	-	(2,960,866)
(359,800)		(359,800)
(1,247,403)	-	(1,247,403)
(5,999,982)	-	(5,999,982)
<u>\$ (86,009,289)</u>	<u>\$ -</u>	<u>\$ (86,009,289)</u>
-	293,244	293,244
-	15,145	15,145
-	308,389	308,389
<u>(86,009,289)</u>	<u>308,389</u>	<u>(85,700,900)</u>
34,697,412	-	34,697,412
7,143,546	-	7,143,546
1,032,391	-	1,032,391
242,817	-	242,817
9,035,126	-	9,035,126
141,984	-	141,984
27,937,033	-	27,937,033
3,546,141	111,581	3,657,722
16,583	-	16,583
489,470	115,543	605,013
169,740	(169,740)	-
<u>84,452,243</u>	<u>57,384</u>	<u>84,509,627</u>
<u>(1,557,046)</u>	<u>365,773</u>	<u>(1,191,273)</u>
<u>82,939,024</u>	<u>1,984,523</u>	<u>84,923,547</u>
<u>\$ 81,381,978</u>	<u>\$ 2,350,296</u>	<u>\$ 83,732,274</u>

Euclid City School District

Balance Sheet – Governmental Funds June 30, 2024

	General	ESSER	Bond Retirement
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 45,507,668	\$ 613,342	\$ 13,717,310
Materials and Supplies Inventory	26,371	-	-
Accrued Interest Receivable	364,907	-	-
Accounts Receivable	233,249	-	-
Interfund Receivable	1,483,972	-	-
Intergovernmental Receivable	44,111	1,886,413	-
Prepaid Items	79,399	-	45,889
Income Taxes Receivable	1,151,565	-	-
Property Taxes Receivable	44,459,315	-	7,756,555
Total Assets	<u>\$ 93,350,557</u>	<u>\$ 2,499,755</u>	<u>\$ 21,519,754</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 819,426	\$ 251,306	\$ -
Contracts Payable	375,817	-	-
Accrued Wages and Benefits	8,529,242	868,205	-
Intergovernmental Payable	1,588,144	130,291	-
Interfund Payable	-	715,913	-
Unearned Revenue	-	534,040	-
Total Liabilities	<u>11,312,629</u>	<u>2,499,755</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	37,109,450	-	6,140,660
Payments in Lieu of Taxes	33,434	-	-
Unavailable Revenue-Delinquent Property Taxes	4,606,854	-	1,012,834
Unavailable Revenue - Grants	-	388,530	-
Unavailable Revenue-Other	207,992	-	-
Total Deferred Inflows of Resources	<u>41,957,730</u>	<u>388,530</u>	<u>7,153,494</u>
FUND BALANCES			
Nonspendable	111,139	-	45,889
Restricted	-	-	14,320,371
Committed	28,706	-	-
Assigned	2,947,007	-	-
Unassigned (Deficits)	36,993,346	(388,530)	-
Total Fund Balances (Deficit)	<u>40,080,198</u>	<u>(388,530)</u>	<u>14,366,260</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 93,350,557</u>	<u>\$ 2,499,755</u>	<u>\$ 21,519,754</u>

See accompanying notes to the basic financial statements.

Other Governmental Funds		Total Governmental Funds	Reconciliation of Total Governmental Fund Balances to Net Positions of Governmental Activities June 30, 2024	
\$ 5,732,347	\$ 65,570,667		Total Fund Balances - Governmental Funds	\$ 58,983,851
-	26,371		<i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
-	364,907			
77,183	310,432		Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds	218,955,565
-	1,483,972		Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
1,402,170	3,332,694		Delinquent Property Taxes	\$ 5,808,918
-	125,288		Grants	912,917
-	1,151,565		Other revenues	<u>207,992</u>
1,388,636	53,604,506		Total	6,929,827
<u>\$ 8,600,336</u>	<u>\$ 125,970,402</u>		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.	8,447,126
\$ 439,581	\$ 1,510,313		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, the liability and related deferred inflows/outflows are not reported in governmental funds:	
-	375,817		Deferred Outflows - Pension	21,635,784
563,664	9,961,111		Deferred Inflows - Pension	(5,960,014)
102,757	1,821,192		Net Pension Liability	(81,023,624)
768,059	1,483,972		Deferred Outflows - OPEB	4,280,564
-	534,040		Deferred Inflows - OPEB	(9,692,735)
<u>1,874,061</u>	<u>15,686,445</u>		Net OPEB Liability	(5,239,437)
1,086,735	44,336,845		Net OPEB Asset	<u>5,763,407</u>
-	33,434		Total	(70,236,055)
189,230	5,808,918		Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
524,387	912,917		General Obligation Bonds	(116,264,990)
-	207,992		Certificates of Participation	(12,235,000)
<u>1,800,352</u>	<u>51,300,106</u>		Lease Payable	(87,704)
			Bond Accretion	(1,872,018)
			Unamortized Bond C.A.P.S Premiums	(6,332,087)
			Unamortized Bond Discounts	1,351,101
			Deferral on Refunding	184,768
			Accrued Interest Payable	(2,367,562)
			Compensated Absences	<u>(4,074,844)</u>
			Total	(141,698,336)
<u>\$ 8,600,336</u>	<u>\$ 125,970,402</u>		Net Position of Governmental Activities	<u>\$ 81,381,978</u>

See accompanying notes to the basic financial statements.

Euclid City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	ESSER	Bond Retirement
REVENUES			
Taxes:			
Property	\$ 34,818,396	\$ -	\$ 7,170,144
Income	9,035,126	-	-
Revenues from State Sources:			
Unrestricted Grants-in-Aid	35,524,530	-	428,042
Restricted Grants-in-Aid	6,810,819	-	-
Revenues from Federal Sources:			
Restricted Grants-in-Aid	267,378	11,895,224	-
Earnings on Investments	3,172,208	-	-
Tuition	515,690	-	-
Extracurricular Activities	13,751	-	-
Contributions and Donations from Private Sources	48,305	-	-
Transportation Fees	130,669	-	-
Classroom Materials and Fees	14,286	-	-
Payments in Lieu of Taxes	141,984	-	-
Miscellaneous	252,134	-	-
Total Revenues	90,745,276	11,895,224	7,598,186
EXPENDITURES			
Current:			
Instruction:			
Regular	28,083,661	2,613,828	-
Special	16,009,565	1,113,234	-
Vocational	3,442,481	169,782	-
Other	5,929	-	-
Supporting Services:			
Pupils	8,013,979	1,542,968	-
Instructional Staff	1,867,855	770,777	-
Board of Education	74,891	-	-
Administration	5,991,377	457,312	-
Fiscal Services	2,633,821	-	56,844
Business	682,412	-	-
Operation and Maintenance of Plant Services	10,025,546	564,514	-
Pupil Transportation	7,319,090	3,240	-
Central	2,246,122	-	-
Operation of Non-Instructional Services:			
Community Services	230,975	-	-
Extracurricular Activities	1,006,529	-	-
Facilities Acquisition and Construction Services	-	-	-
Debt Service:			
Principal Retirement	327,858	-	2,757,300
Interest and Fiscal Charges	465,900	-	5,175,156
Total Expenditures	88,427,991	7,235,655	7,989,300
Excess of Revenues Over (Under) Expenditures	2,317,285	4,659,569	(391,114)
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	10,571	-	-
Transfers In	-	-	240,759
Transfers Out	(696,118)	-	-
Total Other Financing Sources (Uses)	(685,547)	-	240,759
Net Change in Fund Balances	1,631,738	4,659,569	(150,355)
Fund Balances (Deficit) - Beginning of Year	38,448,460	(5,048,099)	14,516,615
Fund Balances (Deficit) - End of Year	\$ 40,080,198	\$ (388,530)	\$ 14,366,260

See accompanying notes to the basic financial statements.

		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, 2024	
Other Governmental Funds	Total Governmental Funds		
\$ 1,280,178	\$ 43,268,718	Net Change in Fund Balances-Total Governmental Funds	\$ 6,953,037
-	9,035,126		
151,390	36,103,962	<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
2,048,610	8,859,429		
6,705,495	18,868,097	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/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.	
373,933	3,546,141		
-	515,690	Capital Outlay	\$ 2,549,925
170,423	184,174	Depreciation/Amortization	(4,871,575)
159,046	207,351	Total	(2,321,650)
-	130,669		
35,332	49,618	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
-	141,984		
237,335	489,469		
11,161,742	121,400,428	Delinquent Property Taxes	(152,552)
		Grants	(5,841,605)
		Other revenues	(84,340)
		Total	(6,078,497)
1,271,495	31,968,984	Repayment of principal on bonds, notes, and leases are expenditures in the Governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	3,085,158
2,241,282	19,364,081		
1,344	3,613,607		
883	6,812	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows	
878,761	10,435,708	Pension	7,698,393
1,113,939	3,752,571	OPEB	218,571
-	74,891		
192,508	6,641,197	Except for amounts reported as deferred inflows/outflows, changes in the net pension liability, net OPEB liability, and net OPEB asset are reported as pension and OPEB expense in the Statement of Activities.	
34,530	2,725,195	Pension	(8,407,722)
27,345	709,757	OPEB	737,808
2,487,914	13,077,974		
2,188	7,324,518	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.	
628,684	2,874,806		
1,392,967	1,623,942	Compensated Absences	(1,681,263)
431,671	1,438,200	Bond Accretion	(540,826)
275,257	275,257	Amortization of Bond C.A.P.S Premiums	237,194
-	3,085,158	Amortization of Bond Discounts	(57,377)
-	5,641,056	Amortization of Deferral on Refunding	(13,198)
10,980,768	114,633,714	Accrued Interest Payable	15,281
180,974	6,766,714	Total	(2,040,189)
6,012	16,583	Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service fund are reported in the Governmental Activities.	(1,401,955)
631,280	872,039		
(6,181)	(702,299)	Change in Net Position of Governmental Activities	<u>\$ (1,557,046)</u>
631,111	186,323		
812,085	6,953,037	See accompanying notes to the basic financial statements.	
4,113,838	52,030,814		
\$ 4,925,923	\$ 58,983,851		

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes:				
Property	\$ 43,100,767	\$ 43,100,767	\$ 35,607,678	\$ (7,493,089)
Income	7,551,577	7,551,577	8,775,456	1,223,879
Tuition	443,769	443,769	515,690	71,921
Transportation Fees	114,504	114,504	133,062	18,558
Earnings on Investments	1,836,219	1,836,219	2,133,814	297,595
Extracurricular Activities	501	501	582	81
Classroom Materials and Fees	13,234	13,234	15,379	2,145
Miscellaneous Revenues	442,618	442,618	514,353	71,735
Other Revenue Sources	26,047	26,047	30,269	4,222
Revenues from State Sources:				
Unrestricted Grants-in-Aid	30,710,255	30,710,255	35,687,448	4,977,193
Restricted Grants-in-Aid	5,860,940	5,860,940	6,810,819	949,879
Revenues from Federal Sources:				
Restricted Grants-in-Aid	678,593	678,593	788,572	109,979
Total Revenues	90,779,024	90,779,024	91,013,122	234,098
Expenditures:				
Current:				
Instruction:				
Regular	27,628,809	27,628,809	28,265,560	(636,751)
Special	21,722,367	21,722,367	18,250,337	3,472,030
Vocational	2,591,936	2,591,936	3,383,969	(792,033)
Other	72,343	72,343	76,362	(4,019)
Supporting Services:				
Pupils	8,317,960	8,317,960	7,970,580	347,380
Instructional Staff	2,055,912	2,055,912	1,853,077	202,835
Board of Education	39,006	39,006	76,818	(37,812)
Administration	5,656,762	5,656,762	6,133,309	(476,547)
Fiscal Services	3,031,021	3,031,021	2,688,099	342,922
Business	595,496	595,496	685,584	(90,088)
Operation and Maintenance of Plant Services	9,974,753	9,974,753	10,206,041	(231,288)
Pupil Transportation	7,969,555	7,969,555	7,809,071	160,484
Central	2,185,364	2,185,364	2,285,533	(100,169)
Operation of Non-Instructional Services:				
Community Services	151,659	151,659	218,326	(66,667)
Extracurricular Activities:				
Academic Oriented Activities	101,099	101,099	138,921	(37,822)
Occupation Oriented Activities	14,747	14,747	16,898	(2,151)
Sport Oriented Activities	745,539	745,539	729,128	16,411
School and Public Services Co-Curricular Activities	46,978	46,978	61,258	(14,280)
Debt Service:				
Principal Retirement	265,000	265,000	265,000	-
Interest and Fiscal Charges	461,150	461,150	461,150	-
Total Expenditures	93,627,456	93,627,456	91,575,021	2,052,435
Excess of Revenues over(under) Expenditures	(2,848,432)	(2,848,432)	(561,899)	2,286,533
Other Financing Sources (Uses):				
Transfers Out	(250,000)	(250,000)	(696,118)	(446,118)
Advances In	-	-	6,565,612	6,565,612
Advances Out	-	-	(1,397,600)	(1,397,600)
Refund of Prior Year's Expenditures	11,257	11,257	13,081	1,824
Contingencies	(180,000)	(180,000)	-	180,000
Total Other Financing Sources (Uses)	(418,743)	(418,743)	4,484,975	4,903,718
Net Change in Budgetary Fund Balance	(3,267,175)	(3,267,175)	3,923,076	7,190,251
Budgetary Fund Balance - Beginning of Year	34,057,200	34,057,200	34,057,200	-
Prior Year Encumbrances Appropriated	4,084,533	4,084,533	4,084,533	-
Budgetary Fund Balance - End of Year	\$ 34,874,558	\$ 34,874,558	\$ 42,064,809	\$ 7,190,251

See accompanying notes to the basic financial statements.

Euclid City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) and Actual
Elementary and Secondary School Emergency (ESSER) Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Revenues from Federal Sources:				
Restricted Grants: Federal	\$ 7,500,000	\$ 9,780,000	\$ 9,719,563	\$ (60,437)
Total Revenues	<u>7,500,000</u>	<u>9,780,000</u>	<u>9,719,563</u>	<u>(60,437)</u>
Expenditures:				
Instruction:				
Regular	1,669,396	2,282,579	3,039,376	(756,797)
Special	803,044	1,098,009	1,008,154	89,855
Vocational	148,442	202,966	194,121	8,845
Other	-	-	171,627	(171,627)
Supporting Services:				
Pupils	1,008,002	1,378,250	1,568,388	(190,138)
Instructional Staff	489,301	669,026	778,210	(109,184)
Administration	304,050	415,730	458,803	(43,073)
Operation and Maintenance of Plant Services	4,306,310	5,888,054	572,109	5,315,945
Pupil Transportation	-	-	3,480	(3,480)
Capital Outlay	29,762	40,694	-	40,694
Total Expenditures	<u>8,758,308</u>	<u>11,975,308</u>	<u>7,794,268</u>	<u>4,181,040</u>
Excess of Revenues over (under) Expenditures	(1,258,308)	(2,195,308)	1,925,295	4,120,603
Other Financing Sources (Uses):				
Advances In	-	-	665,000	665,000
Advances Out	-	-	(3,770,716)	(3,770,716)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,105,716)</u>	<u>(3,105,716)</u>
Net Change in Budgetary Fund Balance	(1,258,308)	(2,195,308)	(1,180,421)	1,014,887
Budgetary Fund Balance - Beginning of Year	(2,773)	(2,773)	(2,773)	-
Prior Year Encumbrances Appropriated	<u>1,258,308</u>	<u>1,258,308</u>	<u>1,258,308</u>	<u>-</u>
Budgetary Fund Balance - End of Year	<u>\$ (2,773)</u>	<u>\$ (939,773)</u>	<u>\$ 75,114</u>	<u>\$ 1,014,887</u>

See accompanying notes to the basic financial statements.

Euclid City School District
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities - Non-Major Enterprise Funds	Governmental Activities - Internal Service Funds
ASSETS		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 3,869,768	\$ 9,726,135
Materials and Supplies Inventory	26,654	-
Intergovernmental Receivable	-	5,022
Prepaid Items	-	131,236
Total Current Assets	<u>3,896,422</u>	<u>9,862,393</u>
Noncurrent Assets:		
Capital Assets:		
Depreciable Capital Assets, Net of Depreciation	246,330	-
Total Noncurrent Assets	<u>246,330</u>	<u>-</u>
Total Assets	<u>4,142,752</u>	<u>9,862,393</u>
Deferred Outflows of Resources		
Pension	367,226	-
OPEB	292,103	-
Total Deferred Outflows of Resources	<u>659,329</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	30,536	-
Accrued Wages and Benefits	17,844	-
Compensated Absences Payable	10,660	-
Intergovernmental Payable	13,915	-
Claims Payable	-	1,415,267
Total Current Liabilities	<u>72,955</u>	<u>1,415,267</u>
Noncurrent Liabilities:		
Compensated Absences Payable	19,481	-
Net Pension Liability	1,472,981	-
Net OPEB Liability	448,517	-
Total Noncurrent Liabilities	<u>1,940,979</u>	<u>-</u>
Total Liabilities	<u>2,013,934</u>	<u>1,415,267</u>
Deferred Inflows of Resources		
Pension	20,704	-
OPEB	417,147	-
Total Deferred Inflows of Resources	<u>437,851</u>	<u>-</u>
NET POSITION		
Net Investment In Capital Assets	246,330	-
Unrestricted	2,103,966	8,447,126
Total Net Position	<u>\$ 2,350,296</u>	<u>\$ 8,447,126</u>

See accompanying notes to the basic financial statements.

Euclid City School District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Non-Major Enterprise Funds	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for Services:		
Food Services	\$ 252,504	\$ -
Risk Management	-	11,091,181
Other Miscellaneous	115,543	8,866
Total Operating Revenues	<u>368,047</u>	<u>11,100,047</u>
OPERATING EXPENSES		
Salaries and Wages	901,638	24,504
Employee's Retirement and Insurance Benefits	(7,637)	11,496,042
Purchased Services	69,145	1,194,561
Materials and Supplies	1,948,834	5,285
Depreciation	54,296	-
Other	7,435	6,426
Total Operating Expenses	<u>2,973,711</u>	<u>12,726,818</u>
Operating (Loss)	<u>(2,605,664)</u>	<u>(1,626,771)</u>
NONOPERATING REVENUES (EXPENSES)		
Earnings on Investments	111,581	-
Contributions and Donations from Private Sources	1,650	224,816
Intergovernmental	3,032,032	-
Donated Commodities	(4,086)	-
Total Nonoperating Revenues (Expenses)	<u>3,141,177</u>	<u>224,816</u>
(Transfers Out)	<u>(169,740)</u>	<u>-</u>
Change in Net Position	365,773	(1,401,955)
Net Position - Beginning of Year	1,984,523	9,849,081
Net Position - End of Year	<u><u>\$ 2,350,296</u></u>	<u><u>\$ 8,447,126</u></u>

See accompanying notes to the basic financial statements.

Euclid City School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities Non-Major Enterprise Funds	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Charges for Services	\$ 252,504	\$ 11,086,159
Other Cash Receipts	153,278	8,866
Cash Payments to Employees for Salaries and Wages	(902,955)	(24,504)
Cash Payments to Employees for Retirement and Insurance Benefits	(342,927)	(11,349,877)
Cash Payments to Suppliers and Service Providers for Goods and Services	(2,002,727)	(1,210,319)
Cash Payments for Other Expenses	(7,435)	(6,426)
Net Cash (Used In) Operating Activities	<u>(2,850,262)</u>	<u>(1,496,101)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grants Received	3,032,032	-
Transfers (Out)	(169,740)	-
Contributions and Donations from Private Sources	1,650	228,666
Net Cash Provided by Noncapital Financing Activities	<u>2,863,942</u>	<u>228,666</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	111,581	-
Net Cash Provided by Investing Activities	<u>111,581</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	125,261	(1,267,435)
Cash and Cash Equivalents - Beginning of Year	3,744,507	10,993,570
Cash and Cash Equivalents - End of Year	<u><u>\$ 3,869,768</u></u>	<u><u>\$ 9,726,135</u></u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES		
Operating (Loss)	\$ (2,605,664)	\$ (1,626,771)
Adjustments:		
Depreciation	54,296	-
Federal Donated Commodities	(4,086)	-
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts Receivable	37,735	-
Intergovernmental Receivable	-	(5,022)
Materials and Supplies Inventory	19,528	-
Prepaid Items	-	(10,473)
Deferred Outflows of Resources - Pension and OPEB	78,439	-
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts Payable	(190)	-
Accrued Wages and Benefits	(10,364)	-
Compensated Absences Payable	9,047	-
Intergovernmental Payable	2,743	-
Claims Payable	-	146,165
Net Pension Liability	(211,473)	-
Net OPEB Liability	4,213	-
Deferred Inflows of Resources - Pension and OPEB	(224,486)	-
Net Cash (Used In) Operating Activities	<u><u>\$ (2,850,262)</u></u>	<u><u>\$ (1,496,101)</u></u>

Schedule of Noncash Non-Capital and Capital Financing Activities

During the year, the Food Services fund received donated commodities of \$211,957

Euclid City School District

*Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024*

	Custodial Fund
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 17,954
Total Assets	<u>17,954</u>
NET POSITION	
Restricted For:	
Individuals, Organizations, and Other Governments	17,954
Total Net Position	<u><u>\$ 17,954</u></u>

See accompany notes to the basic financial statements.

Euclid City School District

*Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024*

	Custodial Fund
ADDITIONS	
Collections for Other Organizations	\$ 21,131
Total Additions	<u>21,131</u>
DEDUCTIONS	
Collections to Other Organizations	<u>7,650</u>
Total Deductions	<u>7,650</u>
Net Increase in Fiduciary Net Position	13,481
Net Position - Beginning of Year	<u>4,473</u>
Net Position - End of Year	<u><u>\$ 17,954</u></u>

See accompany notes to the basic financial statements.

Euclid City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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, 2024 was 4,239. The School District employed 457 certified employees and 314 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 St. 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.

Euclid City School District

Notes to the Basic Financial Statements
June 30, 2024
(Continued)

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

A. **Fund Accounting**

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

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.

Elementary and Secondary School Emergency (ESSER) Fund – This fund accounts for emergency relief grants related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

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.

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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

A. **Fund Accounting** (Continued)

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).

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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The School District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District’s only custodial fund accounts for the athletic 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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

B. Basis of Presentation (Continued)

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. 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 and fiduciary 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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

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.

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 assets 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, 2024

(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 assets 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, 2024, but which were levied to finance fiscal year 2025 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.

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(Continued)*

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

D. Cash, Cash Equivalents and Investments (Continued)

During fiscal year 2024, investments were limited to US Bank First American Government Obligation – Class III money market mutual funds, negotiable certificates of deposit, U.S. Government Agency securities, commercial paper, and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

During fiscal year 2024, 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 2024, 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 \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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. 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, 2024, the School District did not have any restricted assets.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(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, 2024 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 and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the purchase method on the fund statements and using the consumption method on the government-wide statements.

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

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/amortized at cost (or estimated historical cost) or at present value of future payments 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/amortized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is not capitalized.

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

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

H. **Capital Assets** (Continued)

	Governmental Activities	Business-Type Activities
<u>Description</u>	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Intangible right-to-use lease - Equipment	5 years	N/A
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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

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.

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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

M. **Fund Balance** (Continued)

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.

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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

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 2024.

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.

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 custodial 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.

Euclid City School District

Notes to the Basic Financial Statements
June 30, 2024
(Continued)

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

S. **Budgetary Accounting** (Continued)

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 2024.

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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

S. **Budgetary Accounting** (Continued)

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.

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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

NOTE 3: **ACCOUNTABILITY AND COMPLIANCE**

A. **Accountability**

The following funds had negative fund balances at June 30, 2024:

	<u>Deficit</u>
<i><u>Major Special Revenue Funds</u></i>	
Elementary and Secondary School Emergency	\$ 388,530
<i><u>Nonmajor Special Revenue Funds</u></i>	
Public School Preschool	\$ 65,037
Agriculture Education	1,809
21st Century Grant	103,784
IDEA, Part B Special Education, Education of Handicapped Children	7,786
Project Head Start	5,883
Title I - School Improvement A	966
Title I - Disadvantaged Children/Targeted Assistance	156,970
IDEA, Preschool Grant for the Handicapped	5,554
Improving Teacher Quality	103,714
<i>Total Nonmajor governmental funds</i>	<u>\$ 451,503</u>

The fund deficits in the nonmajor special revenue 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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

NOTE 4: CHANGES IN ACCOUNTING PRINCIPLES

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

GASB Statement No. 100, Accounting Change and Error Corrections – an Amendment of GASB Statement No. 62. GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

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 and ESSER 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).

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

3. Advances in/out are operating transactions (budget) as opposed to balance sheet transaction (GAAP).
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budgetary basis).
5. Encumbrances are treated as expenditures (budgetary basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis).

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

Net Change in Fund Balance		
	General Fund	ESSER
GAAP Basis	\$ 1,631,738	\$ 4,659,569
Net Adjustments for Revenue Accruals	338,407	(2,175,661)
Net Adjustments for Expenditure Accruals	493,312	(20,386)
Advances In	6,565,612	665,000
Advances Out	(1,397,600)	(3,770,716)
Funds with Separate Legally Adopted Budgets	33,011	-
Adjustment for Encumbrances	(3,741,404)	(538,227)
Budget Basis	<u>\$ 3,923,076</u>	<u>\$ (1,180,421)</u>

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Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (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	ESSER	Bond Retirement	Nonmajor Funds	Total Governmental Funds
<i>Nonspendable</i>					
Prepaid Items	\$ 79,399	\$ -	\$ 45,889	\$ -	\$ 125,288
Materials and Supplies Inventory	26,371	-	-	-	26,371
Unclaimed Funds	5,369	-	-	-	5,369
<i>Total Nonspendable</i>	111,139	-	45,889	-	157,028
<i>Restricted for</i>					
Classroom Facilities Maintenance	-	-	-	1,796,433	1,796,433
Student Managed Activity	-	-	-	59,447	59,447
District Managed Activities	-	-	-	53,896	53,896
Auxiliary Services	-	-	-	22,633	22,633
Title III - LEP	-	-	-	160	160
Other Grants	-	-	-	620,132	620,132
Debt Service	-	-	14,320,371	-	14,320,371
Permanent Improvements	-	-	-	1,496,880	1,496,880
Buildings	-	-	-	1,070,900	1,070,900
Classroom Facilities Projects	-	-	-	193,747	193,747
<i>Total Restricted</i>	-	-	14,320,371	5,314,228	19,634,599
<i>Committed to</i>					
Termination Benefits	28,706	-	-	-	28,706
Special Programs	-	-	-	45,540	45,540
<i>Total Committed</i>	28,706	-	-	45,540	74,246
<i>Assigned to</i>					
Property Replacement	-	-	-	17,658	17,658
Public School Support	45,505	-	-	-	45,505
Instructional Activities	2,537,742	-	-	-	2,537,742
Supporting Services	363,410	-	-	-	363,410
Extracurricular Activities	350	-	-	-	350
<i>Total Assigned</i>	2,947,007	-	-	17,658	2,964,665
<i>Unassigned (Deficit)</i>	36,993,346	(388,530)	-	(451,503)	36,153,313
Total Fund Balances (Deficit)	\$ 40,080,198	\$ (388,530)	\$ 14,366,260	\$ 4,925,923	\$ 58,983,851

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(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, and Federal Home Loan Mortgage Corporation. 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;

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

7. The State Treasurer's investment pool (STAR Ohio); and
8. Bankers' acceptances and commercial paper, if training 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.

Cash on Hand

At June 30, 2024, the School District had \$10,000 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, 2024, the carrying amount of the School District's deposits was \$3,704,779 and the bank balance was \$5,721,912. The School District closely monitors its cash flow requirements and can provide necessary funds to cover any outstanding checks when they become due. \$250,000 of the School District's bank balance was covered by Federal Depository Insurance and the remaining amount 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. The School District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance. 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 fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (Continued)

NOTE 7: DEPOSITS AND INVESTMENTS (CONTINUED)

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 School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The table presented below identifies the School District's recurring fair value measurement as of June 30, 2024. As previously discussed, Star Ohio is reported at its net asset value. All other investments of the School District are valued using Level 2 inputs.

Investments at year end were as follows:

Measurement/Investment Type	Fair Value of Investments	Investment Maturities (in Years)	Standard & Poor's Rating
<i>Net Asset Value per Share:</i>			
STAR Ohio	\$ 21,300,135	< 1	AAAm
First American Government Obligation Fund	197,181	< 1	AAAm
<i>Fair Value - Level Two Inputs:</i>			
Negotiable CDs	875,719	1 - 3.5	N/A
U.S. Government Agency Securities	51,117,484	1 - 3.5	AA+
Commercial Paper	1,979,226	< 1	A-1
Total Investments	\$ 75,469,745		

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(Continued)*

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

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.

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 money market mutual funds, commercial paper, 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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

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 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, 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 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2023, were levied after April 1, 2023 and are collected in 2023 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, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can significantly vary based on the date the tax bills are sent.

The amount available as an advance at June 30, 2024 was \$2,743,011 in the General Fund, \$603,061 in the Bond Retirement Fund, and \$112,671 in the Permanent Improvement Capital Projects Fund. The amount available as an advance at June 30, 2023 was \$3,532,293 in the General Fund, \$776,587 in the Bond Retirement Fund, and \$145,092 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, 2024, 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.

Euclid City School District

Notes to the Basic Financial Statements
June 30, 2024
(Continued)

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

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 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 714,603,130	95.07%	\$ 714,156,500	94.73%
Public Utility	37,047,500	4.93%	39,733,530	5.27%
Totals	<u>\$ 751,650,630</u>	<u>100.00%</u>	<u>\$ 753,890,030</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$ 94.07		\$ 94.07	

NOTE 9: **SCHOOL DISTRICT INCOME TAXES**

Euclid 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.

NOTE 10: **RECEIVABLES**

Receivables at June 30, 2024 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.

Euclid City School District

Notes to the Basic Financial Statements
June 30, 2024
(Continued)

NOTE 10: **RECEIVABLES** (Continued)

A summary of the principal items of intergovernmental receivables follows:

	Governmental Activities
Public School Preschool	\$ 65,037
ESSER	1,886,413
21st Century	103,784
Special Education, Part B - IDEA	251,503
Title I - SSI	17,058
Title I	666,262
IDEA Early Childhood Special Education	6,914
Drug Free Schools Grant	72,018
Improving Teacher Quality	121,094
Project Head Start	28,573
Other Grants	69,927
TIF	33,434
Other	15,699
Total Intergovernmental Receivables	<u>\$ 3,337,716</u>

Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (Continued)

NOTE 11: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024
<u>Governmental Activities</u>				
<i>Capital Assets, not being depreciated/amortized:</i>				
Land	\$ 2,340,558	\$ -	\$ -	\$ 2,340,558
Intangible Asset	44,393	-	-	44,393
Construction in Progress	134,544,730	1,907,721	(134,806,616)	1,645,835
<i>Total Capital Assets, not being depreciated/amortized</i>	<u>136,929,681</u>	<u>1,907,721</u>	<u>(134,806,616)</u>	<u>4,030,786</u>
<i>Capital Assets, being depreciated/amortized:</i>				
Intangible right-to-use lease - Equipment	269,178	-	-	269,178
Land Improvements	19,676,990	121,024	-	19,798,014
Buildings and Improvements	108,778,674	135,058,076	-	243,836,750
Furniture and Equipment	4,211,937	269,720	-	4,481,657
Vehicles	503,346	-	(16,551)	486,795
<i>Total Capital Assets, being depreciated/amortized</i>	<u>133,440,125</u>	<u>135,448,820</u>	<u>(16,551)</u>	<u>268,872,394</u>
Less Accumulated Depreciation/amortization:				
Intangible right-to-use lease - Equipment	(124,242)	(62,124)	-	(186,366)
Land Improvements	(8,048,124)	(923,163)	-	(8,971,287)
Buildings and Improvements	(37,542,156)	(3,581,136)	-	(41,123,292)
Furniture and Equipment	(2,926,370)	(289,364)	-	(3,215,734)
Vehicles	(451,699)	(15,788)	16,551	(450,936)
Total Accumulated Depreciation/amortization	<u>(49,092,591)</u>	<u>(4,871,575)</u>	<u>16,551</u>	<u>(53,947,615)</u>
Total Capital Assets being depreciated/amortized, Net	<u>84,347,534</u>	<u>130,577,245</u>	<u>-</u>	<u>214,924,779</u>
Governmental Activities' Capital Assets, Net	<u>\$ 221,277,215</u>	<u>\$ 132,484,966</u>	<u>\$ (134,806,616)</u>	<u>\$ 218,955,565</u>
<u>Business-Type Activities</u>				
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	\$ 6,000	\$ -	\$ -	\$ 6,000
Furniture and Equipment	847,309	-	-	847,309
Vehicles	31,512	-	-	31,512
<i>Total Capital Assets, being depreciated</i>	<u>884,821</u>	<u>-</u>	<u>-</u>	<u>884,821</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(2,325)	(150)	-	(2,475)
Furniture and Equipment	(568,083)	(50,207)	-	(618,290)
Vehicles	(13,787)	(3,939)	-	(17,726)
Total Accumulated Depreciation	<u>(584,195)</u>	<u>(54,296)</u>	<u>-</u>	<u>(638,491)</u>
Business-Type Activities' Capital Assets, Net	<u>\$ 300,626</u>	<u>\$ (54,296)</u>	<u>\$ -</u>	<u>\$ 246,330</u>

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

Depreciation/Amortization expense was charged to the governmental functions as follows:

Instruction:	
Regular	\$ 4,447,463
Special	507
Vocational	12,900
Support Services:	
Instructional Staff	136,229
Board of Education	3,000
Administration	20,103
Operation and Maintenance of Plant	193,604
Pupil Transportation	626
Central	55,047
Operation of Non-Instructional Services:	
Community Services	1,111
Extracurricular Activities	985
Total Depreciation Expense	<u>\$ 4,871,575</u>

NOTE 12: **SIGNIFICANT CONTRACTUAL COMMITMENTS**

The School District did not have any significant contractual commitments at fiscal year-end

Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (Continued)

NOTE 13: LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2024 were as follows:

	Balance Outstanding 6/30/2023	Additions	Deletions	Balance Outstanding 6/30/2024	Amounts Due in One Year
<u>Governmental Activities</u>					
<i>General Obligation Bonds</i>					
Energy Conservation Bonds:					
Series 2009 - \$1,253,000 - 5.25%	\$ 117,300	\$ -	\$ (117,300)	\$ -	\$ -
Classroom Facilities and School Improvement Bonds, Series 2010:					
Sinking Fund Bonds - \$15,165,000 - 1.85%	4,095,000	-	(1,340,000)	2,755,000	1,370,000
Classroom Facilities and School Improvement Refunding Bonds, Series 2014:					
Serial Bonds - \$9,575,000 - 1.00-4.00%	9,000,000	-	(80,000)	8,920,000	80,000
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	266,672	126,669	-	393,341	-
Unamortized Bond Premium	592,420	-	(39,495)	552,925	-
Unamortized Bond Discount	(347,081)	-	23,138	(323,943)	-
Classroom Facilities and School Improvement Bonds, Series 2017:					
Serial Bonds - \$22,375,000 - 2.00-5.00%	20,630,000	-	(1,210,000)	19,420,000	1,450,000
Term Bonds - \$73,195,000 - 3.00-5.25%	73,135,000	-	(10,000)	73,125,000	10,000
Capital Appreciation Bonds - \$219,994 - 29.988-30.00%	219,994	-	-	219,994	-
Accretion on Capital Appreciation Bonds	1,064,520	414,157	-	1,478,677	-
Unamortized Bond Premium	5,082,657	-	(163,956)	4,918,701	-
Unamortized Bond Discount	(1,061,397)	-	34,239	(1,027,158)	-
<i>Total General Obligation Bonds</i>	<u>124,620,081</u>	<u>540,826</u>	<u>(2,903,374)</u>	<u>122,257,533</u>	<u>2,910,000</u>
<i>Other Long-Term Obligations</i>					
Certificates of Participation -					
Series 2019 - \$12,500,000 - 3.00-4.00%	12,500,000	-	(265,000)	12,235,000	280,000
Unamortized Premium	894,204	-	(33,743)	860,461	-
Claims	1,269,102	11,350,263	(11,204,098)	1,415,267	1,415,267
Compensated Absences	2,393,581	2,499,909	(818,646)	4,074,844	814,444
Leases Payable	150,562	-	(62,858)	87,704	63,350
<i>Total Other Long-Term Obligations</i>	<u>17,207,449</u>	<u>13,850,172</u>	<u>(12,384,345)</u>	<u>18,673,276</u>	<u>2,573,061</u>
<i>Net Pension Liability (See Note 16):</i>					
STRS	63,450,628	366,062	-	63,816,690	-
SERS	15,898,759	1,308,175	-	17,206,934	-
<i>Total Net Pension Liability</i>	<u>79,349,387</u>	<u>1,674,237</u>	<u>-</u>	<u>81,023,624</u>	<u>-</u>
<i>Net OPEB Liability (See Note 17):</i>					
SERS	4,193,571	1,045,866	-	5,239,437	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 225,370,488</u>	<u>\$ 17,111,101</u>	<u>\$ (15,287,719)</u>	<u>\$ 227,193,870</u>	<u>\$ 5,483,061</u>
<u>Business-Type Activities</u>					
Compensated Absences	\$ 21,094	\$ 18,328	\$ (9,281)	\$ 30,141	\$ 10,660
<i>Net Pension Liability (See Note 16):</i>					
SERS	1,684,454	-	(211,473)	1,472,981	-
<i>Net OPEB Liability (See Note 17):</i>					
SERS	444,304	4,213	-	448,517	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 2,149,852</u>	<u>\$ 22,541</u>	<u>\$ (220,754)</u>	<u>\$ 1,951,639</u>	<u>\$ 10,660</u>

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(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, 2024. 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). 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 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. 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. The BABs were called on October 10, 2014, and there is no outstanding balance.

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, 2024* *(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>
2025	\$ 1,370,000
2026	1,385,000
Total	<u>\$ 2,755,000</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.

Certificates of Participation

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 COPs were issued for the purpose of renovating the north wing of the High School.

The School District has the option to purchase any or all of the rights in the leased property by paying the amount necessary to cause all lease payments to be paid or deemed paid. In the event of a default, as defined by the lease agreement, the lessor may retake possession of the leased property at the School District's expense. The lessor also has the option to sell or lease the lessor's interest in the leased property, or sublease the leased property, holding the School District liable for all applicable lease payments and other payments due during the then-current fiscal year to the effective date of such sale, lease, or sublease and for the difference between the purchase price, rental and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable by the School District under to the lease during the then-current fiscal year.

Euclid City School District

Notes to the Basic Financial Statements
June 30, 2024
(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 18 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, 2024, the School District's overall legal debt margin was \$0 with an unvoted debt margin of \$753,890. 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, 2024 are as follows:

Fiscal Year Ending June 30,	Certificates of Participation		General Obligation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 280,000	\$ 450,250	\$ 2,910,000	\$ 5,081,709	\$ 3,190,000	\$ 5,531,959
2026	290,000	438,850	1,600,141	6,402,618	1,890,141	6,841,468
2027	300,000	427,050	564,849	7,194,657	864,849	7,621,707
2028	315,000	414,750	3,070,000	4,745,706	3,385,000	5,160,456
2029	325,000	401,950	3,175,000	4,638,456	3,500,000	5,040,406
2030-2034	1,830,000	1,799,850	18,455,000	21,075,869	20,285,000	22,875,719
2035-2039	2,225,000	1,395,550	20,650,000	17,241,151	22,875,000	18,636,701
2040-2044	2,705,000	904,150	16,640,000	13,004,740	19,345,000	13,908,890
2045-2049	3,255,000	359,525	21,800,000	8,618,790	25,055,000	8,978,315
2050-2054	710,000	10,650	27,400,000	3,780,194	28,110,000	3,790,844
	<u>\$ 12,235,000</u>	<u>\$ 6,602,575</u>	<u>\$ 116,264,990</u>	<u>\$ 91,783,890</u>	<u>\$ 128,499,990</u>	<u>\$ 98,386,465</u>

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(Continued)*

NOTE 14: **LEASE PAYABLE**

In fiscal year 2021, the School District entered into a lease payable for copiers in the amount of \$269,178. This represents the present value of the minimum lease payments at the time of acquisition. Accumulated amortization as of June 30, 2024, was \$186,366, leaving a current book value of \$82,812. A corresponding liability was recorded in the government-wide financial statements. Principal payments in fiscal year 2024 totaled \$62,858 paid by the General Fund. The lease does not transfer ownership of the copiers to the School District at the end of the lease term.

The following is a schedule the present value of the future minimum lease payments as of June 30, 2024:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 65,350	\$ 2,258	\$ 67,608
2026	22,354	182	22,536
	<u>\$ 87,704</u>	<u>\$ 2,440</u>	<u>\$ 90,144</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, 2024* *(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 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 District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

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

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

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(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 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 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.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. The Retirement Board approved a 2.5% COLA for calendar year 2023 and 2024.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the 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).

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(Continued)*

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

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

For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent.

The District's contractually required contribution to SERS was \$2,069,434 for fiscal year 2024.

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

Plan Description – 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.

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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit and at any age. Eligibility changes for DB plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 2.91 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.

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(Continued)*

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

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

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.

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, 2024, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2024 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contributions to STRS was \$5,792,082 for fiscal year 2024.

Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	0.3250866%	0.28542631%	
Proportion of the Net Pension Liability			
Current Measurement Date	0.3380665%	0.29634026%	
Change in Proportionate Share	0.0129799%	0.01091395%	
Proportionate Share of the Net Pension			
Liability	\$ 18,679,915	\$ 63,816,690	\$ 82,496,605
Pension Expense	\$ 2,831,971	\$ 5,569,854	\$ 8,401,825

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 802,904	\$ 2,326,621	\$ 3,129,525
Changes of assumptions	132,321	5,255,650	5,387,971
Changes in proportion and differences between contributions and proportionate share of contributions	1,652,395	3,971,603	5,623,998
School District contributions subsequent to the measurement date	2,069,434	5,792,082	7,861,516
Total Deferred Outflows of Resources	\$ 4,657,054	\$ 17,345,956	\$ 22,003,010
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 141,611	\$ 141,611
Changes of assumptions	-	3,955,994	3,955,994
Net difference between projected and actual earnings on pension plan investments	262,562	191,261	453,823
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,429,290	1,429,290
Total Deferred Inflows of Resources	\$ 262,562	\$ 5,718,156	\$ 5,980,718

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(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)

\$7,861,516 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, 2025. 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
2025	\$ 1,481,121	\$ 19,832	\$ 1,500,953
2026	(513,280)	(974,216)	(1,487,496)
2027	1,343,300	6,735,540	8,078,840
2028	13,917	54,562	68,479
Total	<u>\$ 2,325,058</u>	<u>\$ 5,835,718</u>	<u>\$ 8,160,776</u>

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. Future benefits for all current plan members were projected through 2137.

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, 2024

(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, 2023, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of investment expenses
Actuarial Cost Method	Entry Age Normal

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disable members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed June 30, 2020.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	100.00 %	

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

NOTE 16: PENSION PLANS (CONTINUED)

E. Actuarial Assumptions – SERS (Continued)

Discount Rate The total pension liability was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined rate of fiscal year 2023 was 14 percent. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.00 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. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 27,570,601	\$ 18,679,915	\$ 11,191,206

F. Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2023, actuarial valuation.

Inflation	2.50 percent
Projected salary increases	Varies by service from 2.5% to 8.5%
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments	0.0 percent

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

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

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

* Final target weights reflected at October 1, 2022.

** 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, 2024

(Continued)

NOTE 16: PENSION PLANS (CONTINUED)

F. Actuarial Assumptions – STRS (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. 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, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 98,135,945	\$ 63,816,690	\$ 34,791,992

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, 2024, 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, 2024

(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, 2024* *(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 Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, there was no contribution made to health care. A 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 2024, this amount was \$30,000. 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.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

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

The surcharge, is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$237,281 for fiscal year 2024. This amount 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 monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

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, 2023, 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.

Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (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)

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/asset			
Prior Measurement Date	0.3303305%	0.28542631%	
Proportion of the Net OPEB Liability/asset			
Current Measurement Date	0.3452591%	0.29634026%	
Change in Proportionate Share	0.0149286%	0.01091395%	
Proportionate Share of the Net OPEB Liability	\$ 5,687,954	\$ -	\$ 5,687,954
Proportionate Share of the Net OPEB Asset	\$ -	\$ (5,763,407)	\$ (5,763,407)
OPEB Expense	\$ (399,816)	\$ (503,569)	\$ (903,385)

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 11,848	\$ 8,984	\$ 20,832
Changes of assumptions	1,923,263	849,030	2,772,293
Net difference between projected and actual earnings on OPEB plan investments	44,082	10,285	54,367
Changes in proportion and differences between contributions and proportionate share of contributions	1,487,894	-	1,487,894
School District contributions subsequent to the measurement date	237,281	-	237,281
Total Deferred Outflows of Resources	\$ 3,704,368	\$ 868,299	\$ 4,572,667
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 2,933,488	\$ 879,072	\$ 3,812,560
Changes of assumptions	1,615,431	3,802,614	5,418,045
Changes in proportion and differences between contributions and proportionate share of contributions	741,215	138,062	879,277
Total Deferred Inflows of Resources	\$ 5,290,134	\$ 4,819,748	\$ 10,109,882

Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (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)

\$237,281 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/or an increase to the net OPEB asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ (900,473)	\$ (1,751,062)	\$ (2,651,535)
2026	(774,073)	(799,665)	(1,573,738)
2027	(392,658)	(310,244)	(702,902)
2028	(102,364)	(412,770)	(515,134)
2029	40,933	(378,150)	(337,217)
Thereafter	305,588	(299,558)	6,030
Total	<u>\$ (1,823,047)</u>	<u>\$ (3,951,449)</u>	<u>\$ (5,774,496)</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.

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(Continued)*

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Base Mortality: Healthy Retirees - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Disabled Retirees - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

The most recent experience study was completed for the five-year period ended June 30, 2020.

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(Continued)

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

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

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 2015 through 2020, and was adopted by the Board in 2021. 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, 7.00 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023 was 4.08 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 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries.

Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (Continued)

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

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

The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination for the SEIR for both the June 30, 2022 and the June 30, 2023 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index rate is 3.86% at June 30, 2023 and 3.69% at June 30, 2022.

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 (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$ 7,270,833	\$ 5,687,954	\$ 4,439,790

	1% Decrease (5.75 % decreasing to 3.40%)	Current Trend Rate (6.75 % decreasing to 4.40%)	1% Increase (7.75 % decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$ 4,178,744	\$ 5,687,954	\$ 7,687,863

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(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, 2023, actuarial valuation is presented below:

Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Cost-of-Living Adjustments	0 percent	
Discount Rate of Return	7.00 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	7.50 percent	4.14 percent
Medicare	-10.94 percent	4.14 percent
Prescription Drug		
Pre-Medicare	-11.95 percent	4.14 percent
Medicare	1.33 percent	4.14 percent

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

For healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(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 follows:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	<u>1.00</u>	1.00
Total	<u><u>100.00 %</u></u>	

* Final Target weights reflected at October 1, 2022

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should

Discount Rate The discount rate used to measure the total OPEB asset was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB asset as of June 30, 2023.

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, 2023, calculated using the current period discount rate assumption of 7.00 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 (6.00 percent) or one percentage point higher (8.00 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.

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(continued)*

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

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
School District's proportionate share of the net OPEB (asset)	\$ (4,877,971)	\$ (5,763,407)	\$ (6,534,531)

	1% Decrease <u></u>	Current Trend Rate <u></u>	1% Increase <u></u>
School District's proportionate share of the net OPEB (asset)	\$ (6,570,314)	\$ (5,763,407)	\$ (4,791,505)

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 2024, the School District contracted with The Ohio School Plan 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)	\$ 283,083,661
Crime Insurance (\$1,000 deductible)	1,000,000
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
Commercial Umbrella Limit	10,000,000

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.

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(continued)*

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

B. Self-Insurance Program (Continued)

The claims liability of \$1,415,267 reported in the fund at June 30, 2024 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, 2024 and 2023 were:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>End of Year</u>
June 30, 2023	\$ 1,293,800	\$ 9,118,276	\$ (9,142,974)	\$ 1,269,102
June 30, 2024	1,269,102	11,350,263	(11,204,098)	1,415,267

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.

For fiscal year 2024, 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, 2024

(continued)

NOTE 19: **JOINTLY GOVERNED ORGANIZATIONS**

Ohio Schools' Council Association (Council) – The Council is a jointly governed organization among 249 members in 34 counties. The jointly governed organization was created by school 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 2024, the School District paid \$7,380 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 more than 170 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 222nd Street, Euclid, Ohio 44123.

Euclid City School District

Notes to the Basic Financial Statements *June 30, 2024* *(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, 2024, if applicable, cannot be determined at this time.

B. Litigation

The School District is not party to legal proceedings.

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, all ODE adjustments for fiscal year 2024 are finalized.

NOTE 22: **INTERFUND TRANSACTIONS**

A. Due from/to Other Funds

On June 30, 2024, interfund balances on fund financial statements consist of the following:

	<u>Receivable</u>	<u>Payable</u>
<i><u>Major Governmental Fund</u></i>		
General Fund	\$ 1,483,972	\$ -
ESSER Fund		715,913
<i><u>Nonmajor Governmental Funds</u></i>		
Special Revenue Funds	-	768,059
Total Due from/to Other Funds	<u><u>\$ 1,483,972</u></u>	<u><u>\$ 1,483,972</u></u>

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, 2024
(continued)

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

B. Interfund Transfers

On June 30, 2024, 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	\$ -	\$ 696,118
Bond Retirement	240,759	-
<i>Total Major Governmental Funds</i>	<u>240,759</u>	<u>696,118</u>
<i><u>Nonmajor Governmental Funds</u></i>		
Special Revenue Funds	625,099	-
Capital Projects Funds	6,181	6,181
<i>Total Nonmajor Governmental Funds</i>	<u>631,280</u>	<u>6,181</u>
<i><u>Nonmajor Proprietary Funds</u></i>		
Enterprise Fund	-	169,740
Total Interfund Transfers	<u>\$ 872,039</u>	<u>\$ 872,039</u>

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, 2024, 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.

Euclid City School District

Notes to the Basic Financial Statements June 30, 2024 (continued)

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

Disclosure of this information is required by State statute.

	Capital Improvements	Budget Stabilization
Set-Aside Constraint Balance as of June 30, 2023	\$ -	\$ 476,511
Current Year Set-Aside Requirements	956,468	-
Qualifying Disbursements	(616,410)	-
Current Year Offsets:		
Permanent Improvement Levy-related Proceeds	(1,069,782)	-
Totals	(729,724)	476,511
Set-Aside Balance Carried Forward to Future Fiscal Years	\$ -	\$ 476,511
Set-Aside Constraint Balance as of June 30, 2024	\$ -	\$ 476,511

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 may be reported as part of restricted, committed, or assigned classifications of fund balance to the extent fund balance is available. For the general fund, the fund balance is reported as assigned for encumbrances. At year end, the School District's commitments for encumbrances (less amounts already reported as payables) in the governmental funds were as follows:

Fund	Encumbrances Outstanding
General Fund	\$ 2,902,263
ESSER Fund	538,228
Nonmajor Governmental:	
Special Revenue Funds	857,548
Capital Project Funds	1,672,663
Total	\$ 5,970,702

Euclid City School District

Notes to the Basic Financial Statements

June 30, 2024

(continued)

NOTE 25: **TAX ABATEMENTS**

As of June 30, 2024, 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 2024, the School District's value of the property taxes forgone amounted to \$2,800,252 (tax year 2022, latest information available).

**EUCLID CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education and Workforce</i>		
Child Nutrition Cluster:		
School Breakfast Program (SBP)	10.553	\$ 721,271
National School Lunch Program (NSLP)	10.555	2,182,239
National School Lunch Program - Non-Cash	10.555	211,956
Summer Food Service Program for Children (SFSPC)	10.559	46,024
Total Child Nutrition Cluster		<u>3,161,490</u>
Total U.S. Department of Agriculture		<u>3,161,490</u>
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education and Workforce</i>		
Special Education Cluster (IDEA):		
Special Education - Grants to States (IDEA Part B) - 2023	84.027A	99,024
Special Education - Grants to States (IDEA Part B) - 2024	84.027A	1,387,195
SSIP Each Child on Track - 2023	84.027A	43,784
SSIP Each Child on Track - 2024	84.027A	4,943
Total Special Education - Grants to States (IDEA, Part B)		<u>1,534,946</u>
Special Education - Pre-School Grants (IDEA Preschool) - 2023	84.173A	17,231
Special Education - Pre-School Grants (IDEA Preschool) - 2024	84.173A	21,399
Total Special Education - Pre-School Grants (IDEA Preschool)		<u>38,630</u>
Total - Special Education Cluster (IDEA)		<u>1,573,576</u>
Title I - Supplemental School Improvement - 2023	84.010	23,158
Title I - Supplemental School Improvement - 2024	84.010	97,585
Title I - Improving Basic Programming - 2023	84.010	344,638
Title I - Improving Basic Programming - 2024	84.010	2,432,296
Title I - Expanding Opportunities - 2023	84.010	102,662
Title I - Expanding Opportunities - 2024	84.010	46,800
Title I - School Quality Improvement	84.010	36,997
Total Title I Grants to Local Educational Agencies		<u>3,084,136</u>
Twenty-First Century Community Learning Centers	84.287C	423,966
Title II, Part A, Supporting Effective Instruction State Grants - 2023	84.367A	95,033
Title II, Part A, Supporting Effective Instruction State Grants - 2024	84.367A	282,118
Total Title II, Part A, Supporting Effective Instruction State Grants		<u>377,151</u>
Student Support and Academic Enrichment Program - 2023	84.424A	96,380
Student Support and Academic Enrichment Program - 2024	84.424A	243,275
Stronger Connections Grant	84.424F	1,350
Total Student Support and Academic Enrichment Program, Stronger Connections		<u>341,005</u>
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	819,172
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	6,428,069
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	11,572
Total COVID-19 Elementary and Secondary School Emergency Relief Fund		<u>7,258,813</u>
Total U.S. Department of Education		<u>13,058,647</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed Through Cuyahoga County</i>		
Project Head-Start - 2023	93.600	43,902
Project Head-Start - 2024	93.600	180,606
Total Project Head - Start		<u>224,508</u>
Total U.S. Department of Health and Human Services		<u>224,508</u>
Total Expenditures of Federal Awards		<u>\$16,444,645</u>

The accompanying notes are an integral part of this schedule.

**EUCLID CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Euclid City School District (the District) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E– FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with DEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2024 to 2025 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 550,227
Title II-A Supporting Effective Instruction State Grants	84.367A	\$ 50,287
Title IV-A Student Support and Academic Enrichment	84.424A	\$ 67
Special Education - Grants to States (IDEA Part B)	84.027A	\$ 358,652
Special Education - Pre-School Grants (IDEA Preschool)	84.173A	\$ 13,424



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

Euclid City School District
Cuyahoga County
651 East 222nd Street
Euclid, Ohio 44123

To the Board of Education:

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Euclid City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2024, 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 31, 2024.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 31, 2024



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

Euclid City School District
Cuyahoga County
651 East 222nd Street
Euclid, Ohio 44123

To the Board of Education:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Euclid City School District's, Cuyahoga County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Euclid City School District's major federal programs for the year ended June 30, 2024. The Euclid City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Euclid City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2024.

Unmodified Opinion on the Other Major Federal Program

In our opinion, Euclid City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Child Nutrition Cluster

As described in finding 2024-001 in the accompanying schedule of findings, the District did not comply with requirements regarding reporting applicable to its Child Nutrition Cluster major federal program.

Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

Responsibilities of Management for Compliance

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2024-001, to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Euclid City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 31, 2024. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

December 31, 2024

**EUCLID CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified – Child Nutrition Cluster Unmodified – All other programs
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster AL # 84.425 - COVID-19 Education Stabilization Fund
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

**EUCLID CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024
(CONTINUED)**

3. FINDINGS FOR FEDERAL AWARDS

1. Reporting Requirement

Finding Number:	2024-001
Assistance Listing Number and Title:	Child Nutrition Cluster
Federal Award Identification Number / Year:	N/A/ 2024
Federal Agency:	U.S. Department of Agriculture
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Department of Education and Workforce
Repeat Finding from Prior Audit?	No

NONCOMPLIANCE AND MATERIAL WEAKNESS

7 CFR § 210.8(a) states in part, "The school food authority shall establish internal controls which ensure the accuracy of meal counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include: an on-site review of the meal counting and claiming system employed by each school within the jurisdiction of the school food authority; comparisons of daily free, reduced price and paid meal counts against data which will assist in the identification of meal counts in excess of the number of free, reduced price and paid meals served each day to children eligible for such meals; and a system for following up on those meal counts which suggest the likelihood of meal counting problems."

7 CFR § 220.11(b) states in part, Claims for Reimbursement shall include data in sufficient detail to justify the reimbursement claimed and to enable the State Agency to provide the Reports of School Program Operations required under § 220.13(b)(2). In Ohio, the Ohio Department of Education and Workforce (DEW) requires school districts to use the Claims Reporting and Reimbursement System (CRRS) to report meal data for reimbursement.

Due to insufficient controls over reporting, related to breakfast and lunch meal counts, three of the three (100%) months tested were inaccurate. This led to inaccuracies in meal counts reported in the CRRS system, as shown below:

Month	Type	Recalculated Meal Count	Reported Meal Count	Variance(s)
September 2023	Lunch	67,752	66,644	(1,108)
March 2024	Breakfast	36,260	47,095	10,835
	Lunch	66,089	55,254	(10,835)
May 2024	Lunch	55,403	55,072	(331)

This weakness resulted in a loss of accountability over meal count reporting and could lead to a reduction or forfeiture of future funding for this program.

The District should develop control policies and procedures to ensure the number of meals served and reported to DEW agree to the respective daily meal count forms and the meals served / tabulated. The procedures should include an independent review of the meal counts manually entered into the point-of-sale system, based upon the daily meal count forms, and the meal counts manually entered into CRRS by an employee not associated with the computer entry. These review procedures should be acknowledged by initials / signatures. If there are errors or discrepancies between meals served / tabulated and the amounts reported to DEW, the District should maintain supporting documentation to demonstrate the meals reported to DEW were accurate and complete.

**EUCLID CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024
(CONTINUED)**

3. FINDINGS FOR FEDERAL AWARDS

Official's Response:

The Treasurer or designee will periodically, but not less than three times annually, conduct a review of the meal counts manually entered into the point of sale system and the CRRS and verify the counts entered manually into the CRRS system. Patrick Higley, Dawn Johnson, and Jim Fadel will be the parties responsible for ensuring the accuracy of the counts.

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PATRICK HIGLEY
TREASURER

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phigley@euclidschools.org



CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
Fiscal year end 2024

Finding Number: 2024-001

Planned Corrective Action:

The Treasurer or designee will periodically, but not less than three times annually, conduct a review of the meal counts manually entered into the point of sale system and the CRRS and verify the counts entered manually into the CRRS system. Patrick Higley, Dawn Johnson, and Jim Fadel will be the parties responsible for ensuring the accuracy of the counts.

Anticipated Completion Date: 06/ 30/2025

Responsible Contact Person: Patrick Higley

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APPENDIX D

Proposed Text of Opinion of Bond Counsel

We have served as bond counsel to our client Euclid City School District, Ohio (the “School District”), in connection with the issuance by the School District of its \$38,130,000* Classroom Facilities and School Improvement Refunding Bonds, Series 2025 (the “Bonds”), dated the date of this letter, and issued for the purpose of refunding for debt charges savings certain of the School District’s outstanding (i) Classroom Facilities and School Improvement Refunding Bonds, Series 2014, dated September 10, 2014, which were issued for the purpose of paying the local share of the cost of constructing, furnishing and equipping four new elementary schools under the State of Ohio Classroom Facilities Assistance Program and constructing, furnishing, equipping and otherwise improving School District buildings and facilities and clearing, improving and equipping their sites, and (ii) (A) Classroom Facilities and School Improvement Bonds, Series 2017A, dated March 8, 2017, (B) Classroom Facilities and School Improvement Bonds, Series 2017B, dated March 8, 2017, and (C) Classroom Facilities and School Improvement Bonds, Series 2017C, dated March 22, 2017, each of which were issued for the purpose of adding to, renovating, remodeling, furnishing, equipping and improving the existing Euclid High School building and otherwise constructing, adding to, renovating, remodeling, furnishing, equipping and improving school district buildings and facilities and acquiring, clearing, improving and equipping their sites.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bond of the first maturity and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds constitute valid and binding general obligations of the School District, and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes, unlimited as to amount or rate, on all property subject to ad valorem taxes levied by the Board of Education of the School District.
2. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and

* Preliminary, subject to change.

the valid, binding and enforceable nature of those documents upon, any parties other than the School District.

In rendering those opinions with respect to the treatment of the interest on the Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the School District. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Bonds and the enforceability of the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

APPENDIX E

Book-Entry System; DTC

Book-Entry System

The information set forth in the following numbered paragraphs is based on information provided by The Depository Trust Company in its “Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance” (September 2024). As such, the School District believes it to be reliable, but the School District takes no responsibility for the accuracy or completeness of that information. It has been adapted to the Bond issue by substituting “Bonds” for “Securities,” “School District” for “Issuer” and “Bond Registrar” for “registrar” and by the addition of the italicized language set forth in the text. See also the additional information following those numbered paragraphs.

1. The Depository Trust Company (“DTC”) will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each (*maturity*) of the Bonds, each in the aggregate principal amount of such (*maturity*), and will be deposited in the custody of DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. (*This internet site is included for reference only, and the information in this internet site is not incorporated by reference in this Official Statement.*)

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates

representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividends (*debt charges payments*) on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Bond Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividends (*debt charges*) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. (Not Applicable to the Bonds.)

10. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the School District or the Bond Registrar. Under

such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed (*or otherwise produced*) and delivered.

11. The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed (*or otherwise produced*) and delivered to DTC. (*See also **Revision of Book-Entry System; Replacement Bonds.***)

12. The information (*above*) in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

The School District and the Bond Registrar have no role in the purchases, transfers or sales of book-entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisors the manner of transferring or pledging their book-entry interests.

The School District and the Bond Registrar have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The School District and the Bond Registrar cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

For all purposes under the Bond proceedings (except the Continuing Disclosure Agreement under which others as well as DTC may be considered an owner or holder of the Bonds, see **Continuing Disclosure Agreement**), DTC will be and will be considered by the School District and the Bond Registrar to be the owner or holder of the Bonds.

Beneficial Owners will not receive or have the right to receive physical delivery of Bonds, and, except to the extent they may have rights as Beneficial Owners or holders under the Continuing Disclosure Agreement, will not be or be considered by the School District and the Bond Registrar to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

Reference herein to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

Revision of Book-Entry System; Replacement Bonds

The Bond proceedings provide for issuance of fully-registered Bonds (Replacement Bonds) directly to owners of Bonds other than DTC only in the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Bonds. Upon occurrence of this event, the School District may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the School District does not do so, or is unable to do so, and after the Bond Registrar has made provision for notification of the Beneficial Owners of the Bonds by appropriate notice to DTC, the School District and the Bond

Registrar will authenticate and deliver Replacement Bonds of any one maturity, in authorized denominations, to or at the direction of any persons requesting such issuance, and, if the event is not the result of School District action or inaction, at the expense (including legal and other costs) of those requesting.

Debt charges on Replacement Bonds will be payable when due without deduction for the services of the Bond Registrar as paying agent. Principal of and any premium on Replacement Bonds will be payable when due to the registered owner upon presentation and surrender at the designated corporate trust office of the Bond Registrar. Interest on Replacement Bonds will be payable on the interest payment date by the Bond Registrar by transmittal to the registered owner of record on the Bond Register as of the 15th day of the calendar month preceding the interest payment date. Replacement Bonds will be exchangeable for other Replacement Bonds of authorized denominations, and transferable, at the designated corporate trust office of the Bond Registrar without charge (except taxes or governmental fees). Exchange or transfer of then-redeemable Replacement Bonds is not required to be made: (i) between the 15th day preceding the mailing of notice of redemption of Replacement Bonds and the date of that mailing, or (ii) of a particular Replacement Bond selected for redemption (in whole or part).

APPENDIX F

Proposed Form of Continuing Disclosure Agreement

\$38,130,000*

Euclid City School District, Ohio
Classroom Facilities and School Improvement Refunding Bonds, Series 2025

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of October 28, 2025 (the Agreement), is made, signed and delivered by **EUCLID CITY SCHOOL DISTRICT, OHIO**, a school district and political subdivision duly organized and existing under the laws of the State of Ohio (the School District), for the benefit of the Holders and Beneficial Owners (as defined herein) from time to time of the School District's \$38,130,000 Classroom Facilities and School Improvement Refunding Bonds, Series 2025, (the Bonds), authorized Resolution Nos. 25-08-182 and 25-08-183, each adopted by the Board of Education of the School District on August 13, 2025 (together, the Bond Resolutions).

RECITAL

The School District, by adoption of the Bond Resolutions, has determined to issue the Bonds to provide funds for School District purposes, and Stifel, Nicolaus & Company, Incorporated (the Participating Underwriter) has agreed to provide those funds to the School District by purchasing the Bonds. As a condition to the purchase of the Bonds from the School District and the sale of Bonds to Holders and Beneficial Owners, the Participating Underwriter is required to reasonably determine that the School District has undertaken, in a written agreement for the benefit of Holders and Beneficial Owners of the Bonds, to provide certain information in accordance with the Rule (as defined herein).

NOW, THEREFORE, in accordance with the Bond Resolutions, the School District covenants and agrees as set forth in this Continuing Disclosure Agreement.

Section 1. Purpose of Continuing Disclosure Agreement. This Agreement is being entered into, signed and delivered for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, as may be amended from time to time (the Rule).

Section 2. Definitions. In addition to the definitions set forth above, the following capitalized terms shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Reference to "Sections" shall mean sections of this Agreement.

"Annual Filing" means any Annual Information Filing provided by the School District pursuant to, and as described in, Sections 3 and 4.

* Preliminary, subject to change.

“Audited Financial Statements” means the audited basic financial statements of the School District, prepared in conformity with generally accepted accounting principles.

“Beneficial Owner” means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“EMMA” means the Electronic Municipal Market Access system of the MSRB; information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning March 31, 2026 (as to the financial information and operating data described in Section 4(a), starting with such information and data for Fiscal Year 2025), and, as to the Audited Financial Statements, when and if available, starting with the Audited Financial Statements for Fiscal Year 2025, when and if available.

“Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of an obligation or instrument described in either clause (i) or (ii). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on July 1 of each year or such other 12-month period as the School District shall adopt as its fiscal year.

“Holder” means, with respect to the Bonds, the person in whose name a Bond is registered in accordance with the Bond Resolutions.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” means, any person, including the issuer of municipal securities (such as the Bonds), who is generally committed by contract or other arrangement to support payment of all or part of the obligations on the municipal securities being sold in an offering document (such as the Official Statement); the School District is the only Obligated Person for the Bonds.

“Official Statement” means the Official Statement for the Bonds dated October __, 2025.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Policy” means the Ohio School District Credit Enhancement Program.

“Specified Events” means any of the events with respect to the Bonds as set forth in Section 5(a).

“State” means the State of Ohio.

Section 3. Provision of Annual Information.

(a) The School District shall provide (or cause to be provided) not later than the Filing Date to the MSRB an Annual Filing, which is consistent with the requirements of Section 4. The Annual Filing shall be submitted in an electronic format and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the Audited Financial Statements of the School District may be submitted separately from the balance of the Annual Filing and later than the Filing Date if they are not available by that date. If the School District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Specified Event under Section 5.

(b) If the School District is unable to provide to the MSRB an Annual Filing by the Filing Date, the School District shall, in a timely manner, send a notice to the MSRB in an electronic format as prescribed by the MSRB.

Section 4. Content of Annual Filing. The School District's Annual Filing shall contain or include by reference the following:

(a) Financial information and operating data of the type included in the Official Statement under the captions: the table of the historical and projected enrollment in the School District's schools under **The School System – Enrollment; Ad Valorem Property Taxes – Assessed Valuation** (including the table of the largest School District taxpayers), – **Collections** and – **Delinquencies**, together with information as to overlapping and School District tax rates; **State School Funding System; Shared Municipal Income Tax; School District Debt and Other Long-Term Obligations**, including **Debt Tables**, as applicable; and **Appendices A and B-2**.

(b) The Audited Financial Statements of the School District utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The foregoing shall not obligate the School District to prepare or update projections of any financial information or operating data.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the School District or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. The School District shall clearly identify each such other document so included by reference.

Section 5. Reporting Specified Events.

(a) The School District shall provide (or cause to be provided) to the MSRB, in an electronic format and containing such identifying information as is prescribed by the MSRB and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds, as specified by the Rule:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;

- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; (a)
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties; (a)
- (5) Substitution of credit or liquidity providers, or their failure to perform; (a)
- (6) (Issuance of) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security (*i.e.*, the Bonds), or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers; (b)
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material; (c)
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person; Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.
- (13) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note:

- (a) *The School District has not obtained or provided, and does not expect to obtain or provide, any debt service reserves, credit enhancements or credit or liquidity providers (except for the Policy) for the Bonds.*
- (b) *Any scheduled redemption of Bonds pursuant to mandatory sinking fund redemption requirements does not constitute a specified event within the meaning of the Rule.*
- (c) *Repayment of the Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.*

For the Specified Events described in Section 5(a) (2), (6, as applicable), (7), (8, as applicable), (10), (13), (14) and (15), the School District acknowledges that it must make a determination whether such Specified Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. Amendments. The School District reserves the right to amend this Agreement, and noncompliance with any provision of this Agreement may be waived, as may be necessary or appropriate to (a) achieve its compliance with any applicable federal securities law or rule, (b) cure any ambiguity, inconsistency or formal defect or omission and (c) address any change in circumstances arising from a change in legal requirements, change in law or change in the identity, nature or status of the School District or type of business conducted by the School District. Any such amendment or waiver shall not be effective unless the Agreement (as amended or taking into account such waiver) would have materially complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the School District shall have received either (i) a written opinion of bond counsel or other qualified independent special counsel selected by the School District that the amendment or waiver would not materially impair the interests of Holders or Beneficial Owners, or (ii) the written consent to the amendment or waiver of the Holders of at least a majority of the principal amount of the Bonds then outstanding. An Annual Filing containing any revised operating data or financial information shall explain, in narrative form, the reasons for any such amendment or waiver and the impact of the change on the type of operating data or financial information being provided. If the amendment relates to the accounting principles to be followed in preparing Audited Financial Statements, (A) the School District shall provide notice of such change in the same manner as for a Specified Event under Section 5 and (B) the Annual Filing for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements or information as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Agreement shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Agreement or providing any other means of communication, or including any other information in any Annual Filing or providing notice of the occurrence of an event, in addition to that which is required by this Agreement. If the School District chooses to include any information in any document or notice of occurrence of an event in addition to that which is specifically required by this Agreement, the School District shall have no obligation under this Agreement to update such information or include it in any future Annual Filing or notice of occurrence of a Specified Event.

Section 8. Remedy for Breach. This Agreement shall be solely for the benefit of the Holders and Beneficial Owners from time to time of the Bonds. The exclusive remedy for any breach of the Agreement by the School District shall be limited, to the extent permitted by law, to a right of Holders and Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the School District of its obligations under this Agreement in a court in the County of Cuyahoga, Ohio. Any such proceedings shall be instituted and maintained only in accordance with Section 133.25(B)(4)(b) or (C)(1) of the Revised Code (or any like or comparable successor provisions); provided that any Holder or Beneficial Owner may exercise individually any such right to require the School District to specifically perform its obligation to provide or cause to be provided a pertinent

filing if such a filing is due and has not been made. Any Beneficial Owner seeking to require the School District to comply with this Agreement shall first provide at least 30 days' prior written notice to the School District of the School District's failure, giving reasonable detail of such failure, following which notice the School District shall have 30 days to comply. A default under this Agreement shall not be deemed an event of default under the Bond Resolutions, and the sole remedy under this Agreement in the event of any failure of the School District to comply with this Agreement shall be an action to compel performance. No person or entity shall be entitled to recover monetary damages under this Agreement.

Section 9. Appropriation. The performance by the School District of its obligations under this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs that the School District would be required to incur to perform those obligations. The School District shall provide notice to the MSRB in the same manner as for a Specified Event under Section 5 of the failure to appropriate funds to meet costs to perform the obligations under this Agreement.

Section 10. Termination. The obligations of the School District under the Agreement shall remain in effect only for such period that the Bonds are outstanding in accordance with their terms and the School District remains an Obligated Person with respect to the Bonds within the meaning of the Rule. The obligation of the School District to provide the information and notices of the events described above shall terminate, if and when the School District no longer remains such an Obligated Person. If any person, other than the School District, becomes an Obligated Person relating to the Bonds, the School District shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

Section 11. Dissemination Agent. The School District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the School District, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The School District shall maintain records of all Annual Filings and notices of Specified Events and other events, including the content of such disclosure, the names of the entities with whom such disclosures were filed and the date of filing such disclosure.

Section 14. Governing Law. This Agreement shall be governed by the laws of the State.

IN WITNESS WHEREOF, the School District has caused this Continuing Disclosure Agreement to be duly signed and delivered to the Participating Underwriter, as part of the Bond proceedings and in connection with the original delivery of the Bonds to the Participating Underwriter, on its behalf by its officials signing below, all as of the date set forth above, and the Holders and Beneficial Owners from time to time of the Bonds, shall be deemed to have accepted this Agreement made in accordance with the Rule.

EUCLID CITY SCHOOL DISTRICT, OHIO

By: *Exhibit – Not for Signature*
President, Board of Education

By: *Exhibit – Not for Signature*
Superintendent

By: *Exhibit – Not for Signature*
Treasurer, Board of Education

**CERTIFICATE OF FISCAL OFFICER –
CONTINUING DISCLOSURE AGREEMENT**

As fiscal officer of Euclid City School District, Ohio, I certify that the amount required to meet the obligation of the School District under the Agreement made by the School District in accordance with the Rule, as set forth in the Bond Resolutions and the attached Continuing Disclosure Agreement, during Fiscal Year 2026, has been lawfully appropriated by the School District for such purpose and is in the School District treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This Certificate is given in compliance with Section 5705.41 of the Revised Code.

Dated: October 28, 2025

Exhibit – Not for Signature

Treasurer, Board of Education

Euclid City School District, Ohio